

Annual budget of *Siyancuma Municipality*

2015/16 TO 2017/18
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

VISION

A sustainable and economically viable community where residents enjoy a high quality of life.

MISSION

To economically and socially develop and empower the community through transparent, accountable, and democratic governments and by utilizing all available resources and human skills.



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TABLE OF CONTENTS

PART 1 – ANNUAL BUDGET	2
MAYORAL SPEECH 2015/2016; SIYANCUMA MUNICIPALITY.....	2
1.1 COUNCIL RESOLUTIONS	8
1.2 EXECUTIVE SUMMARY	9
Table 1 Consolidated Overview of the 2015/16 MTREF	10
1.3 OPERATING REVENUE FRAMEWORK.....	11
Table 2 Summary of revenue classified by main revenue source.....	12
Table 3 Percentage growth in revenue by main revenue source	13
Table 4 Operating Transfers and Grant Receipts (SA18)	15
1.3.1 <i>Property Rates</i>	16
Table 5 Comparison of proposed rates to levied for the 2015/16	18
1.3.2 <i>Sale of Water and Impact on Tariff Increases</i>	19
Table 6 Proposed Water Tariffs.....	19
Table 7 Comparison between current water charges and increases (Domestic)	20
1.3.3 <i>Sale of Electricity and Impact of Tariff Increases</i>	20
Table 8 Comparison between current electricity charges and increases (Domestic).....	21
1.3.4 <i>Sanitation and Impact of Tariff Increases</i>	21
Table 9 Comparison between current sanitation charges and increases	22
1.3.5 <i>Waste Removal and Impact of Tariff Increases</i>	22
Table 10 Comparison between current waste removal fees and increases	23
1.3.6 <i>Overall impact of tariff increases on households</i>	23
Table 11 Household Bill.....	24
1.4 OPERATING EXPENDITURE FRAMEWORK.....	25
1.4.1 <i>Priority given to repairs and maintenance</i>	28
Table 12 Operational repairs and maintenance	30
1.4.2 <i>Free Basic Services: Basic Social Services Package</i>	32
1.5 CAPITAL EXPENDITURE	32
Table 13 2013/14 Medium-term capital budget per vote.....	33
1.5.1 <i>Future operational cost of new infrastructure</i>	34
1.6 ANNUAL BUDGET TABLES - PARENT MUNICIPALITY	34
Table 14 MBRR Table A1 - Budget Summary.....	35
Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)	37
Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)	39
Table 17 Surplus/(Deficit) calculations for the trading services	40
Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)	41
Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	45
Table 20 MBRR Table A6 - Budgeted Financial Position	48
Table 21 MBRR Table A7 - Budgeted Cash Flow Statement	50
Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation	52
Table 23 MBRR Table A9 - Asset Management	53
Table 24 MBRR Table A10 - Basic Service Delivery Measurement	55
PART 2 – SUPPORTING DOCUMENTATION	56
1.7 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	56
1.7.1 <i>Budget Process Overview</i>	56
1.7.2 <i>IDP and Service Delivery and Budget Implementation Plan</i>	57

1.7.3	<i>Financial Modelling and Key Planning Drivers</i>	58
1.7.4	<i>Community Consultation</i>	58
1.8	OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	59
	Table 25 IDP Strategic Objectives	59
	Table 26 MBRR revenue Table SA4 - Reconciliation between the IDP strategic objectives and budget	62
	Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure	63
	Table 28 MBRR Table SA6 - Reconciliation between the IDP strategic objectives.	64
1.9	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	65
	Table 29 MBRR Table SA7 - Measurable performance objectives.....	70
1.9.1	<i>Performance indicators and benchmarks</i>	71
1.9.1.1	Borrowing Management	71
1.9.1.2	Safety of Capital	71
1.9.1.3	Liquidity.....	71
1.9.1.4	Revenue Management	71
1.9.1.5	Creditors Management.....	71
1.9.1.6	Other Indicators	72
1.9.2	<i>Free Basic Services: basic social services package for indigent households</i>	72
1.10	OVERVIEW OF BUDGET RELATED-POLICIES	72
1.10.1	<i>Review of credit control and debt collection procedures/policies</i>	72
1.11	OVERVIEW OF BUDGET ASSUMPTIONS	73
1.11.1	<i>External factors</i>	73
1.11.2	<i>General inflation outlook and its impact on the municipal activities</i>	73
1.11.3	<i>Collection rate for revenue services</i>	74
1.11.4	<i>Salary increases</i>	74
1.11.5	<i>Ability of the municipality to spend and deliver on the programmes</i>	74
1.12	OVERVIEW OF BUDGET FUNDING.....	74
1.12.1	<i>Medium-term outlook: operating revenue</i>	74
	Table 30 Performance Indicators & Benchmarking.....	75
	Table 31 Breakdown of the operating revenue over the medium-term	76
	Table 32 MBRR SA15 – Detail Investment Information	77
1.12.2	<i>Medium-term outlook: capital revenue</i>	78
	Table 33 Sources of capital revenue over the MTREF	78
	Table 34 MBRR Table SA 17 - Detail of borrowings.....	79
	Table 35 MBRR Table SA 18 - Capital transfers and grant receipts	80
1.12.3	<i>Cash Flow Management</i>	81
	Table 36 MBRR Table A7 - Budget cash flow statement.....	82
1.12.4	<i>Cash Backed Reserves/Accumulated Surplus Reconciliation</i>	83
	Table 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.....	84
1.12.5	<i>Funding compliance measurement</i>	85
	Table 38 MBRR Table A10 – Funding Measurements.....	86
1.12.5.1	Cash/cash equivalent position	87
1.12.5.2	Cash plus investments less application of funds	87
1.12.5.3	Monthly average payments covered by cash or cash equivalents.....	87
1.12.5.4	Surplus/deficit excluding depreciation offsets	87
1.12.5.5	Property Rates/service charge revenue as a percentage increase less macro inflation target.....	88
1.12.5.6	Cash receipts as a percentage of ratepayer and other revenue	88
1.12.5.7	Debt impairment expense as a percentage of billable revenue	88
1.12.5.8	Capital payments percentage of capital expenditure	88

1.12.5.9	Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)	88
1.12.5.10	Transfers/grants revenue as a percentage of Government transfers/grants available	89
1.12.5.11	Consumer debtors change (Current and Non-current)	89
1.12.5.12	Repairs and maintenance expenditure level	89
1.12.5.13	Asset renewal/rehabilitation expenditure level	89
1.13	EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS	89
	Table 39 MBRR SA19 - Expenditure on transfers and grant programmes	90
	Table 40 MBRR SA 20 - Reconciliation between of transfers, grants	91
1.14	COUNCILLOR AND EMPLOYEE BENEFITS	92
	Table 41 MBRR SA22 - Summary of councillor and staff benefits	92
	Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)	93
	Table 43 MBRR SA24 – Summary of personnel numbers	94
	Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)	99
1.15	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	101
1.16	CAPITAL EXPENDITURE DETAILS	101
	Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class	102
	Table 46 MBRR SA 34b - Capital expenditure on renewal assets by asset class	103
	Table 47 MBRR SA36 - Detailed capital budget per municipal vote	106
1.17	LEGISLATION COMPLIANCE STATUS	107
1.18	OTHER SUPPORTING DOCUMENTS	108
	Table 48 MBRR Table SA1 - Supporting detail to budgeted financial performance	108
	Table 49 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)	109
	Table 50 MBRR Table SA3 – Supporting detail to Statement of Financial Position	110
	Table 51 MBRR Table SA9 – Social, economic and demographic statistics and assumptions	110
	Table 52 MBRR SA32 – List of external mechanisms	112

List of Figures

Figure 1 Main Operating Expeniture Catogary	29
Figure 2 Expenditure by Major Type	44
Figure 3 Capital Infrustructure Program	47
Figure 4 Planning, budgeting and reporting cycle	66

Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
RDP	Reconstruction and Development Plan
SALGA	South African Local Government Association
SAPS	South African Police Service
SCMP	Supply Chain Management Policy
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

Mayoral Speech 2015/2016; Siyancuma Municipality

Geagte Raadslede van die Siyancuma Munisipaliteit;

Genooide Gaste;

Munisipale Bestuurder en Senior Bestuurders in die Munisipaliteit;

Vennote in Plaaslike Bestuur; en

Inwoners in die Siyancuma Munisipale Area.

Die Nasionale Ontwikkelings Plan en die Infrastruktuur programme vorm steeds die ruggraat van die ontwikkelings inisiatiewe en die munisipaliteit sal homself moet posisioneer om die voordele van hierdie programme aan die inwoners van hierdie munisipaliteit bekend te stel en ook deel te neem daaraan.

Die munisipaliteit sal met Staatsdepartemente onderhandel vir moontlike geleenthede in die munisipale area en u kan verseker wees dat ons geen geleentheid sal laat verby gaan om voordele vir die gemeenskap te onderhandel nie.

Die munisipaliteit onderskryf steeds die visie van die munisipaliteit, dit lei dan ook as volg:

“ ’n Munisipaliteit gefokus op effektiewe dienslewering ‘onderskryf’ deur ’n volhoubare ekonomie”

Die visie reflekteer dan ook die volgende kritieke areas:

Ons bewustheid rakende effektiewe dienslewering

Hier wil ons weer die gemeenskap en al ons vennote in dienslewering verseker dat ons steeds verbind is in ons strewe om tot dienslewering en vasbeslote is om die mandaat

wat die gemeenskap van Siyancuma ons gegee het uit te voer. Ons is vasbeslote om 'n organisasie kultuur te skep om die gemeenskap te verenig in ons dienslewering pogings.

Ons ideale in die vereniging van ons munisipaliteit in 'n funksionele eenheid

Soos ek reeds in die verlede gesê het, is ons steeds besig na 15 jaar in die nuwe munisipale bedeling om die munisipaliteit vanaf die verskillende dorpe en lande gebiede in een effektiewe eenheid te probeer omskep. Ons sukkel steeds om die werk- mag in dieselfde rigting teen die dieselfde pas te stuur. Ons is dus deur ons visie, missie en korporatiewe kultuur besig om hierdie potensieel ongemaklike situasie aan te spreek.

Ons begrip van wat dit verg om 'n munisipaliteit te wees wat gefokus is op dienslewering

Dames en here, ons visie gee ons 'n duidelike opdrag, dat ons fokus op '*dienslewering*' onderskryf word deur *ekonomiese 'volhoubaarheid'*. Dit beteken dat die Siyancuma Munisipaliteit sal bydra tot sy eie ondergang indien ons nie 'n omgewing skep vir ekonomiese ontwikkeling en investering nie. Dit bring mee dat investerings moontlikhede en behoud in die Siyancuma Munisipale area 'n kerndrywer is. Hierdie investerings- en behoud moontlikhede moet as 'n proses gesien word wat versterk sal word deur die doelwitte van munisipaliteit wat omsigtig en doeltreffend regeer en bestuur word. Dit beteken verder dat vergrote investerings vertroue gebou moet word op 'n gemeenskap wat ge-rat is vir groei en ontwikkeling.

Geagte Raadslede, wanneer ons oor hierdie sake praat, moet ons 'n paar oomblikke neem om eerlik te besin oor die uniekheid van ons munisipaliteit, ons is ryk aan hulpbronne en kultuur. Ons as Munisipale Raad aanvaar en omarm hierdie diversiteit en onderneem om dit te bevorder.

Hierdie begroting wat vandag aan u voorgelê word is 'n produk van die Raad se visie om hierdie diversiteit te bevorder. Deur die Geïntegreerde Ontwikkeling Plan (IDP) proses en later deur die begrotings konsultasie proses is u insette deeglik oorweeg.

Munisipale Bestuurder, gee my die geleentheid om die volgende onder u aandag te bring, alhoewel die Raad reeds die IDP goedgekeur het, sal die finale IDP eers op 30 Junie 2015 goedgekeur word, voor dit kan gebeur moet die munisipaliteit verseker dat die IDP, die begroting en die SDBIP by mekaar aangepas is. Hierdie begroting is dus 'n kritieke deel van die IDP as 'n sektorale plan.

Ons sal gedurende die begrotings periode ook moet konsentreer om die wykskomitees en Portefeulje Komitees van die Raad meer aktief betrokke te kry in die werksaamhede van die munisipaliteit en die gaping tussen raadslede en die gemeenskap te vernou.

Geagte Raadslede, laat my toe om die 2015/16 begroting aan u voor te lê

It is my pleasure to present a budget of a total expenditure of **R 193 676 000**. This total expenditure is divided into two major components and these are:

Operating Budget of R 166 055 000

From this total operating budget the total employee related costs are **R 54 543 000** and this account for **32,8%** of the total budget. I am glad to announce that this is below the nationally accepted norm of 35%. In reality ladies and gentlemen, it means we are utilising our human resources prudently and thus giving us room for human resources expansion should it be deemed necessary in the future.

Capital Budget of R 27 621 000

This capital budget will be spent as follows:

- Office Equipment and computers
- Libraries
- Electricity
- Water
- Waste Water Management

The Capital Budget accounts for 14,3% of the total budget of the municipality. This could be attributed to the fact that according to Census 2011, there has been a decline in the population of Siyancuma from a population of just over 39 000 to just over 37 000 people.

Ladies and gentlemen, you will note that this capital budget inhibits the municipality from implementing all its priorities as outlined in the IDP. This situation is further

exacerbated by the fact that the municipality is unable to utilise its own plant (yellow fleet) for our day-to-day operations. Had we had our own plant, we would have been able to spend more time providing effective and reliable services. It is therefore our desire to explore the desirability and feasibility of taking up a loan for this purpose.

Councillors, in order to fund the expenditure of the municipality, the municipality will have to put in place a number of revenue related measures and it is hoped that these will reach a total of R 193 676 000. This is accounted for in the form of grants from National Government and these are viz:

Operating Transfers and Grants

National Government:	43 280 000
Local Government Equitable Share	39 475 000
Finance Management	1 875 000
Municipal Systems Improvement	930 000
EPWP Incentive	1 000 000
Sport and Recreation	648 000
Total Operating Transfers and Grants	43 928 000

Capital Transfers and Grants

National Government:	19 587 000
Municipal Infrastructure Grant (MIG)	16 187 000
Electrification Grant	3 400 000
ACIP & Sport and Recreation	4 610 000
Total Capital Transfers and Grants	24 197 000

The municipality will however need to generate their own income by delivering services to its customers and collect property rates tax from all property owners within the

municipality. In this regard the taxes and tariffs for services delivered will be affected as such:

Rates	8,75%
Electricity	7%
Water	8%
Waste Water Management	8%
Solid waste	8%

Councillors in the presence of all stakeholders and in particular the communities, allow me to reflect on the state of outstanding debt in the municipality. The Siyancuma Municipality is owed a total of over R 53 913 000 million by its customers. This in effect would have meant that the municipality would have had more than R 54 million in capital projects. Can you imagine how much can be done with R 54 million?

It is our hope to recover this amount of money and in the process supplement our service delivery efforts. In this regard, I urge councillors to be vigilant in the encouragement of customers to pay their rates and taxes and once more for the indigents, we have a process that governs our assistance to them and we need to encourage them to register. We will need to change the payment culture in the municipality and look and endeavours to enhance revenue.

Having said that I think we are all in agreement that we will start with our own officials and councillors who have outstanding municipal debt and we must consistently take a no-nonsense approach towards this.

In conclusion, I believe that the Siyancuma Municipality is on a growth trajectory. In this regard not only have we put in place plans for development, we have also vigorously taken pain to develop a positive organisational culture and have adopted new values and these are:

- ✓ Honesty

- ✓ Responsibility
- ✓ Accessibility
- ✓ Corruption Free
- ✓ High work ethic
- ✓ Rule of law
- ✓ Integrity

Councillors, the officials and in particular the senior management have committed to ensuring that they will institutionalise these values and as such ensure a culture shift within the municipality. I believe that the success of this budget lies in those efforts and the efforts of the collective to be conscious and diligent in the execution of their duties.

Enkosi

Baie dankie

Thank you

Ke a leboga

1.1 Council Resolutions

On 28 May 2015 the Council of Siyancuma Municipality Local Municipality met in the Council Chambers of Siyancuma Municipality to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. The Council of Siyancuma Municipality Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as;
 - 1.2.2. Budgeted Cash Flows
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation
 - 1.2.4. Asset management; and
 - 1.2.5. Basic service delivery measurement
2. The Council of Siyancuma Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015.
3. The Council of Siyancuma Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015 the tariffs for other services.
4. To give proper effect to the municipality's annual budget, the Council of Siyancuma Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.2 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. All debtors who can afford to pay were handed over to Herman van Heerden Attorneys for collections. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. One of the initiatives was that customers are encouraged to pay whereby rebates are given to those who paid their arrear accounts in full. Special attention is given to customer enquiries regarding service delivery. A complaints register is implemented and complaints are dealt within 48 hours.

National Treasury's MFMA Circular No. 72 and 75 were used to guide the compilation of the 2015/16 MTREF.

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The increased cost of bulk water and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- The municipality prioritise bucket eradication, but although the backlogs were addressed in previous financial years, the challenge is the increase of housing development in the rural areas where bucket systems are temporarily installed;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Availability of funding for priority capital projects – Schmidtsdrift is a new area which form part of Siyancuma's service deliverables. Thus MIG funding will be utilised mainly for this project over the MTREF. Bulk purchases, new infrastructure development and maintenance expenses are expected to increase, whilst revenue will not cover costs due to the indigent numbers in this area.
 - Availability of affordable capital.

The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2015/16 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of

- services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- Additional services must be delivered to Schmidtsdrift community and was factored into the capital and operating budget.
- MIG office earmarked R65 million towards upgrading of gravel roads in the Siyancuma Municipal area over a 3 year period. This project is has started in May 2013;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2015/16 MTREF

DESCRIPTION	ADJUSTED BUDGET 2014/15	BUDGET YEAR 2015/16	BUDGET YEAR 2016/17	BUDGET YEAR 2017/18
Total operating revenue	118 153 000	135 230 000	139 302 000	145 877 000
Total operating expenditure	150 143 000	166 055 000	172 980 000	189 601 000
Surplus(deficit) for the year	319 900 000	30 822 000	(33 678 000)	(44 024 000)
Total capital expenditure	31 783 000	27 621 000	25 237 000	260 050 000

Total operating revenue has decreased by 14 per cent or R17,080 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget (before non cash items and repairs and maintenance). For the two outer years, operational revenue will increase by 3 and 4,3 per cent respectively, equating to a total revenue growth of R10,344 million over the MTREF when compared to the 2015/16 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at R 133,150 million and translates into a budgeted deficit of R16,271 million. When compared to the 2015/16 Adjustments Budget (before non cash items and repairs and maintenance), operational expenditure has increased by 10 per cent in the 2015/16 budget and increased by 3,6 and 10.34 per cent for each of the respective outer years of the MTREF. The operating deficit for 2015/16 decreased to R13,053 million and increased again to R17,225 million deficit.

MFMA Circular 55 states that there is no legal requirement that the operating budget must be balanced or be in surplus. However, the deficit in Siyancuma Municipality's operating budget is due to "non-cash items" to the total of R24,269 million; consisting of provision for debt Impairment amounting to R8 million, depreciation and asset impairment of R9,745 million and provision for the rehabilitation of land fill sites amounting to R6,525 million.

The current implementation of GRAP 17 caused an increase in depreciation and asset impairment that is not fully accommodated in the municipality's tariffs and as a result contributed to the deficit. Measures are put in place to collect outstanding debtors by handed it over for

collection by Herman van Heerden Attorneys. The result already proofed to be effective and from 28 May 2012, a debt collection unit was established within the municipality.

The capital budget of R27,621 million for 2015/16 is more or less the same when compared to the 2014/15 Adjustment Budget (R 31,783million). A substantial portion of the capital budget will be funded from grants over MTREF. Grants will also contribute the major portion of the funding for the capital expenditure in the two outer years. The remainder of the funds for the 2015/16 year will be funded from internally generated funds and loans amounting to R 3,428 million and R 24,197 million from rollover MIG funds from 2013/14financial year.

1.3 Operating Revenue Framework

For Siyancuma Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with maintenance backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 75 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
 - Tariff policies of the Municipality.

Table 2 Summary of revenue classified by main revenue source

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source											
Property rates	2	5 768	6 938	7 621	10 699	8 974	8 974	–	10 494	11 251	12 038
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	14 572	20 576	24 518	34 050	34 801	34 801	–	42 090	45 037	48 189
Service charges - water revenue	2	8 281	9 426	9 856	16 331	15 479	15 479	–	16 108	17 236	18 442
Service charges - sanitation revenue	2	4 483	5 096	4 139	6 545	6 592	6 592	–	6 284	6 724	7 194
Service charges - refuse revenue	2	3 718	4 302	3 475	6 224	5 683	5 683	–	6 172	6 604	7 067
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		249	416	485	1 195	363	363	–	461	492	526
Interest earned - external investments		975	875	307	260	–	–	–	620	260	260
Interest earned - outstanding debtors		473	561	630	629	1 249	1 249	–	629	400	430
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		50	48	87	7 236	737	737	–	6 800	7 276	7 785
Licences and permits		6	13	914	450	450	450	–	450	482	515
Agency services		533	755	–	711	758	758	–	758	811	868
Transfers recognised - operational		34 004	38 250	42 691	50 143	42 343	42 343	–	43 928	42 270	41 769
Other revenue	2	1 339	873	11 920	509	724	724	–	438	460	493
Gains on disposal of PPE		25	–	137	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		74 476	88 130	106 779	134 982	118 153	118 153	–	135 233	139 302	145 577
Expenditure By Type											
Employee related costs	2	28 293	35 907	38 717	49 141	44 127	44 127	–	54 543	57 081	61 078
Remuneration of councillors		2 322	3 066	3 388	3 571	3 571	3 571	–	3 161	3 319	3 552
Debt impairment	3	8 124	11 158	91	11 159	11 159	11 159	–	11 159	11 716	12 302
Depreciation & asset impairment	2	11 034	11 287	9 015	13 894	14 307	14 307	–	14 307	15 022	16 074
Finance charges		1 527	2 380	1 674	414	–	–	217	467	520	538
Bulk purchases	2	20 925	23 306	28 721	32 542	30 150	30 150	–	33 995	35 695	42 766
Other materials	8	3 070	–	2 206	7 759	6 151	6 151	–	–	–	–
Contracted services		–	–	–	3 700	1 800	1 800	–	1 800	1 890	2 022
Transfers and grants		2 209	1 488	2 546	8 084	11 818	11 818	–	12 942	12 377	13 456
Other expenditure	4, 5	9 127	18 653	19 694	18 727	27 061	27 061	–	33 680	35 360	37 813
Loss on disposal of PPE		62	90	77	–	–	–	–	–	–	–
Total Expenditure		86 693	107 335	106 129	148 992	150 143	150 143	217	166 055	172 980	189 601
Surplus/(Deficit)		(12 218)	(19 205)	650	(14 009)	(31 990)	(31 990)	(217)	(30 822)	(33 678)	(44 024)
Transfers recognised - capital		7 122	27 022	24 192	23 023	31 783	31 783	51 071	32 905	23 560	23 653
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets		1 671	106	–	–	–	–	1 875	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)

Table 3 Percentage growth in revenue by main revenue source

	Current year 2014/15		2012/13 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK					
	Adjusted Budget	%	Budget Year 2015/16	2014/15 -2015/16 (Year on Year)	Budget Year +1 2016/17	2015/16-2016/17 (Year on Year)	Budget Year +2 2017/18	2016/17-2017/18 (Year on Year)
Revenue By Source								
Property rates	8973815		10494229	6,9	11250793	14,9	12038349	15,3
Property rates - penalties & collection charges	0		0	0,0	0	0,0	0	0,0
Service charges - electricity revenue	34801434		42090216	5,8	45036531,1	15,3	48189088,3	15,3
Service charges - water revenue	15479174		16108015,3	25,6	17235576,4	15,3	18442066,7	15,3
Service charges - sanitation revenue	6592086		6283851	-20,4	6723720,57	15,3	7194381,01	15,3
Service charges - refuse revenue	5682706		6172215	12,6	6604270,05	15,3	7066568,95	15,3
Service charges - other	0		0	0,0	0	0,0	0	0,0
Rental of facilities and equipment	362851		461298	4,7	492089,04	16,0	525894,583	15,6
Interest earned - external investments	0		620000	1,0	260000	-0,7	260000	0,0
Interest earned - outstanding debtors	1249000		629000	-1,0	400000	-1,7	430000	14,3
Dividends received	0		0	0,0	0	0,0	0	0,0
Fines	736758		6800070	1,1	7276000	15,3	7785320	15,3
Licences and permits	450000		450000	0,0	481500	15,3	515205	15,3
Agency services	758320		758320	0,0	811402,4	15,3	868200,568	15,3
Transfers recognised - operational	42342661		43928000	27,7	42270000	-25,5	41769000	-83,4
Other revenue	724199		437707	-1,5	460011,49	20,6	492762,294	15,0
Gains on disposal of PPE	0		0	0,0	0	0,0	0	0,0
Total Revenue (excluding capital transfers and contributions)	118153004		135232921	7,9	139301894	34,2	145576836	23,2

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 60 percent of the total revenue mix for the 2015/16 financial year. In the 2014/15 financial year, revenue from rates and services charges totalled R 71,529 million or 60,5% percent of operating revenue. This increases to R 81,149 million, R 86,851 million and R 92,930 million for the respective years over the MTREF. A notable trend is that percentage of rates and services charges in relation to total operating expenditure decrease yearly to 51% at the end of the MTREF period. The above table includes revenue foregone arising from discounts and rebates associated with property rates according the rates/tariff policies of the municipality (Rates = rates minus revenue foregone).

Electricity is the largest (25%:R42,090 million), water second largest (11%:R16,108 million) property rates third largest (8%:R10,494 million) contributors to revenue.

Operating grants and transfers totals R 43,928 million in the 2015/16 financial year and steadily decreases to R41,769 million by 2016/17. Note that the year-on-year growth for the 2016/17 and 2017/18 financial years are 9 per cent and decrease to 8 per cent in the 2017/18 financial year.

Table 4 Operating Transfers and Grant Receipts (SA18)

NC078 Siyancuma - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		36 808	36 233	40 906	42 385	–	42 385	43 280	41 600	41 082
Local Government Equitable Share		31 614	31 121	36 736	38 021		38 021	39 475	38 633	37 704
Finance Management		1 450	1 500	1 650	1 800		1 800	1 875	2 010	2 345
Municipal Systems Improvement		790	800	890	934		934	930	957	1 033
Water Services Operating Subsidy		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme		2 308	–	–	–	–	–	–	–	–
EPWP Incentive		–	2 500	1 000	1 000	–	1 000	1 000	–	–
Other transfers/grants		646	312	630	630		630	–	–	–
Provincial Government:		–	–	–	–	–	–	648	670	687
Sport and Recreation		–	–	–	–	–	–	648	670	687
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other transfers/grants		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	36 808	36 233	40 906	42 385	–	42 385	43 928	42 270	41 769
Capital Transfers and Grants										
National Government:		16 910	21 113	25 275	13 523	13 523	13 523	19 587	18 670	18 393
Municipal Infrastructure Grant (MIG)		16 910	20 513	19 475	8 023	8 023	8 023	16 187	16 670	17 393
Rural Households Infrastructure		–	–	3 200	4 000	4 000	4 000	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Electrification Grant		–	600	2 600	1 500	1 500	1 500	3 400	2 000	1 000
Provincial Government:		–	–	–	–	–	–	4 610	4 890	5 260
ACIP & Sport and Recreation		–	–	–	–	–	–	4 610	4 890	5 260
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
<i>[insert description]</i>		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	16 910	21 113	25 275	13 523	13 523	13 523	24 197	23 560	23 653
TOTAL RECEIPTS OF TRANSFERS & GRANTS		53 718	57 346	66 181	55 908	13 523	55 908	68 125	65 830	65 422

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must consider in their budget documentation the inflation forecasts as per MFMA Circular 75. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom's bulk tariffs are far beyond the mentioned inflation target. Given that this tariff increase is determined by NERSA, the impact on the municipality's electricity bill is largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the

Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
 - 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

- For pensioners, physically and mentally disabled persons, a maximum rebate of 50 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 9 per cent increase from 1 July 2015 is contained below:

Table 5 Comparison of proposed rates to levied for the 2015/16

PROPERTY RATES/EIENDOMSBELASTING			
NEW VALUATIONS	2014/2015	2015/2016	% INCREASE
Residential	0,011185	0,012164	8,75
Residential 2	0,011185	0,012164	8,75
Residential 3	0,011185	0,012164	8,75
Business	0,012201	0,013269	8,75
Agriculture	0,002321	0,000780	8,75
Agriculture DMA	0,002205	0,000780	8,75
Die Erwe/Campbell	0,003311	0,003601	8,75
Mines	0,020893	0,022721	8,75
Multi - purpose	0,011185	0,012164	8,75
School	0,011185	0,012164	8,75
Creche	0,011185	0,012164	8,75
Public space	0,011185	0,012164	8,75
Sportground	0,011185	0,012164	8,75
Clinic	0,011185	0,012164	8,75
Museum	0,011185	0,012164	8,75
Infrastructure	0,011185	0,012164	8,75
SAPS	0,011185	0,012164	8,75
National Parks	0,011185	0,012164	8,75
State Owned	0,011185	0,012164	8,75
Vacant Municipal	0,011185	0,012164	8,75
Municipality	0,011185	0,012164	8,75
Church	0,011185	0,012164	8,75
Building clause/Bouklousule	0,052565	0,057164	8,75

1.3.2 Sale of Water and Impact on Tariff Increases

Siyancuma municipality carefully review the level and structure of water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
 - Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Water is supplied by Vaal Oranje Water Board, which did not increase its bulk tariffs significantly and enable the municipality to increase there tariffs with only 8% from 1 July 2015.

In addition 6 kℓ water per 30-day period will again be granted free of charge to Indigent Households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS	PROPOSED TARIFFS
	2014/15	2015/16
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
Free for Indigents 0-6kl	0	
Consumption 0 – 6kl	4,97	5,37
Consumption 7 – 50kl	5,82	6,29
Consumption > 50kl	5,86	6,33

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

Table 7 Comparison between current water charges and increases (Domestic)

Monthly consumption kℓ	Current amount Payable 2014/15 R	Proposed amount Payable 2015/16 R	Difference (Increase) R	Percentage change
6	29,82	32,22	2,4	8%
50	285,9	308,98	23,08	8%

The tariff structure of the 2015/16 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R5.03 per kilolitre for consumption in excess of 50kℓ per 30 day period.

1.3.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure resulting in a 7 per cent increase in the Eskom bulk electricity tariff to municipalities from 1 July 2015.

Considering the Eskom increases, the electricity tariff of the municipality increased by 7 per cent to offset the additional bulk purchase cost from 1 July 2015. Furthermore, it should be noted that given the high tariff increase, the municipality is expecting a reduction in the growth of electricity consumption, which will have a negative impact on the municipality's revenue from electricity sales.

The difference between the bulk purchase increase and tariff increase of 2.2% will result in a loss in electricity revenue for the municipality.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

DOMESTIC TARIFFS				COMMERCIAL
DOMESTIC BLOCK 1 0-50kWh	DOMESTIC BLOCK 2 51-350kWh	DOMESTIC BLOCK 3 351-600kWh	DOMESTIC BLOCK 4 > 600kWh	Conventional
(R/kWh)	(R/kWh)	(R/kWh)	(R/kWh)	(R/kWh)
0,8635	0,9484	1,4137	1,6606	1,2772

It should further be noted that NERSA had advised that a stepped tariff structure needs to be implemented from 1 July 2012. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

1.3.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation from 1 July 2015 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 8 per cent for sanitation tariffs. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation will be applicable to registered indigents only, for buckets an amount of R61.90 and vacuum tanks R92.87; and

- The total revenue expected to be generated from rendering sanitation service amounts to R4,716 million for the 2015/16 financial year.

The following table compares the current and proposed tariffs:

Table 9 Comparison between current sanitation charges and increases

	2014/2015	2015/2016	
	TARIFF	TARIFF	% INCREASE
WASTE WATER MANAGEMENT			
Domestic/Huishoudelik	93,26	100,72	8
Businesses/Besighede	205,80	222,26	8
Municipal/Munisipaal	202,06	218,22	8
Government/Staat	818,66	884,15	8
Availability/beskikbaarheid	93,26	100,72	8
Buckets/Emmers	62,16	67,13	8
Vacuim/Suigtenke	93,26	100,72	8
Vacuim Business/Suigtenk Besighede	205,80	222,26	8

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

1.3.5 Waste Removal and Impact of Tariff Increases

The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

An 8 per cent increase in the waste removal tariff is proposed from 1 July 2015. Higher increases will not be viable in 2013/14 owing to the significant increases implemented in previous financial years as well as the overall impact of higher than inflation increases of other services. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2015:

Table 10 Comparison between current waste removal fees and increases

	2014/2015	2015/2016	
	TARIFF	TARIFF	
			% INCREASE
WASTE MANAGEMENT			
Domestic/Huishoudelik	74,25	80,19	8
Businesses/Besighede (2 Houers)	160,16	172,97	8
Municipal/Munisipaal (2 houers)	157,24	169,82	8

1.3.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept between 8 and 11.3 per cent, with the same increase for indigent households as all services are subsidized. Indigent users are sometimes responsible for overuse of electricity and water.

Table 11 Household Bill

NC078 Siyancuma - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		808,00	872,64	959,90	1 017,49	1 017,49	1 017,49	8,0%	1 078,54	1 143,25	1 211,85
Electricity: Basic levy		104,21	115,70	123,80	132,95	132,95	132,95	7,4%	142,79	153,34	164,69
Electricity: Consumption		851,21	978,89	1 106,61	1 177,32	1 177,32	1 177,32	7,4%	1 264,44	1 358,01	1 458,50
Water: Basic levy		39,51	42,67	46,94	49,75	49,75	49,75	8,0%	52,74	55,90	59,25
Water: Consumption		313,03	344,33	378,76	401,49	401,49	401,49	8,0%	425,58	451,11	478,18
Sanitation		75,43	81,46	87,98	93,26	93,26	93,26	8,0%	98,86	104,79	111,08
Refuse removal		60,06	64,85	70,05	74,25	74,25	74,25	8,0%	78,71	83,43	88,44
Other											
sub-total		2 251,45	2 500,54	2 774,04	2 946,51	2 946,51	2 946,51	6,6%	3 141,66	3 349,83	3 571,98
VAT on Services		120,00	192,24	212,21	225,19	225,19	225,19		238,96	253,57	500,08
Total large household bill:		2 371,45	2 692,78	2 986,25	3 171,70	3 171,70	3 171,70	6,6%	3 380,62	3 603,40	4 072,06
% increase/-decrease			13,5%	10,9%	6,2%	-	-		6,6%	6,6%	13,0%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		398,00	433,82	477,20	505,83	505,83	505,83	6,0%	536,18	568,35	602,45
Electricity: Basic levy		104,21	115,70	123,80	132,95	132,95	132,95	7,4%	142,79	153,34	164,69
Electricity: Consumption		351,00	389,61	440,26	466,68	466,68	466,68	7,4%	494,68	524,36	563,16
Water: Basic levy		39,51	42,67	46,94	49,75	49,75	49,75	8,0%	52,74	55,90	59,25
Water: Consumption		226,92	245,07	269,58	285,78	285,78	285,78	8,0%	302,90	321,07	340,33
Sanitation		75,43	81,45	87,98	93,26	93,26	93,26	8,0%	98,86	104,79	111,08
Refuse removal		60,06	64,85	70,05	74,25	74,25	74,25	8,0%	78,71	83,43	88,44
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1 255,13	1 373,17	1 515,81	1 608,50	1 608,50	1 608,50	6,1%	1 706,86	1 811,24	1 929,40
VAT on Services											
Total small household bill:		1 255,13	1 373,17	1 515,81	1 608,50	1 608,50	1 608,50	6,1%	1 706,86	1 811,24	1 929,40
% increase/-decrease			9,4%	10,4%	6,1%	-	-		6,1%	6,1%	6,5%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		142,00	154,78	170,26	180,48	180,48	180,48	8,0%	191,31	202,79	214,96
Electricity: Basic levy		104,21	115,70	123,80	132,95	132,95	132,95	7,4%	142,79	153,34	164,69
Electricity: Consumption		311,50	336,42	380,15	408,24	408,24	408,24	7,4%	438,45	470,90	505,75
Water: Basic levy		39,51	42,67	46,94	49,75	49,75	49,75	8,0%	52,74	55,90	59,25
Water: Consumption		64,68	69,87	76,86	81,37	81,37	81,37	8,0%	86,25	91,43	96,92
Sanitation		50,28	54,30	58,64	62,16	62,16	62,16	8,0%	65,89	69,84	74,03
Refuse removal		60,06	64,85	70,05	74,25	74,25	74,25	8,0%	78,71	83,43	88,44
Other											
sub-total		772,24	838,59	926,70	989,20	989,20	989,20	6,8%	1 056,14	1 127,63	1 204,03
VAT on Services		72,66	117,40	129,74	138,49	138,49	138,49	#NAME?	147,86	157,87	168,56
Total small household bill:		844,90	955,99	1 056,44	1 127,69	1 127,69	1 127,69	6,8%	1 204,00	1 285,50	1 372,59
% increase/-decrease			13,1%	10,5%	6,7%	-	-		6,8%	6,8%	6,8%

1.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
 - Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
 - Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

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The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):
 NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source												
Property rates		2	5 768	6 938	7 621	10 699	8 974	8 974	–	10 494	11 251	12 038
Property rates - penalties & collection charges			–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		2	14 572	20 576	24 518	34 050	34 801	34 801	–	42 090	45 037	48 189
Service charges - water revenue		2	8 281	9 426	9 856	16 331	15 479	15 479	–	16 108	17 236	18 442
Service charges - sanitation revenue		2	4 483	5 096	4 139	6 545	6 592	6 592	–	6 284	6 724	7 194
Service charges - refuse revenue		2	3 718	4 302	3 475	6 224	5 683	5 683	–	6 172	6 604	7 067
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			249	416	485	1 195	363	363	–	461	492	526
Interest earned - external investments			975	875	307	260	–	–	–	620	260	260
Interest earned - outstanding debtors			473	561	630	629	1 249	1 249	–	629	400	430
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines			50	48	87	7 236	737	737	–	6 800	7 276	7 785
Licences and permits			6	13	914	450	450	450	–	450	482	515
Agency services			533	755	–	711	758	758	–	758	811	868
Transfers recognised - operational			34 004	38 250	42 691	50 143	42 343	42 343	–	43 928	42 270	41 769
Other revenue		2	1 339	873	11 920	509	724	724	–	438	460	493
Gains on disposal of PPE			25	–	137	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			74 476	88 130	106 779	134 982	118 153	118 153	–	135 233	139 302	145 577
Expenditure By Type												
Employee related costs		2	28 293	35 907	38 717	49 141	44 127	44 127	–	54 543	57 081	61 078
Remuneration of councillors			2 322	3 066	3 388	3 571	3 571	3 571	–	3 161	3 319	3 552
Debt impairment		3	8 124	11 158	91	11 159	11 159	11 159	–	11 159	11 716	12 302
Depreciation & asset impairment		2	11 034	11 287	9 015	13 894	14 307	14 307	–	14 307	15 022	16 074
Finance charges			1 527	2 380	1 674	414	–	–	217	467	520	538
Bulk purchases		2	20 925	23 306	28 721	32 542	30 150	30 150	–	33 995	35 695	42 766
Other materials		8	3 070	–	2 206	7 759	6 151	6 151	–	–	–	–
Contracted services			–	–	–	3 700	1 800	1 800	–	1 800	1 890	2 022
Transfers and grants			2 209	1 488	2 546	8 084	11 818	11 818	–	12 942	12 377	13 456
Other expenditure		4, 5	9 127	18 653	19 694	18 727	27 061	27 061	–	33 680	35 360	37 813
Loss on disposal of PPE			62	90	77	–	–	–	–	–	–	–
Total Expenditure			86 693	107 335	106 129	148 992	150 143	150 143	217	166 055	172 980	189 601
Surplus/(Deficit)			(12 218)	(19 205)	650	(14 009)	(31 990)	(31 990)	(217)	(30 822)	(33 678)	(44 024)
Transfers recognised - capital			7 122	27 022	24 192	23 023	31 783	31 783	51 071	32 905	23 560	23 653
Contributions recognised - capital		6	–	–	–	–	–	–	–	–	–	–
Contributed assets			1 671	106	–	–	–	–	1 875	–	–	–
Surplus/(Deficit) after capital transfers & contributions			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Share of surplus/ (deficit) of associate		7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)

The budgeted allocation for employee related costs for the 2015/16 financial year totals R 54,543 million, which equals 32,5 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2015/16 financial year. An annual increase of 8 per cent has been included in the two outer years of the MTREF. Critical posts are prioritized to be filled in 2015/16 and included in the budget.

It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation, Government Gazette 38608 dated 25 Marh 2015 in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 75 per cent and the subsidy of the Indigents. For the 2015/16 financial year this amount equates to R 11,459 million and escalates to R 12,302 million by 2016/17. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 14,307 million for the 2015/16 financial year. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.5 per cent (R467 thousand) of operating expenditure for 2015/16 and increases to R 538 thousand by 2016/17.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Vaal Oranje Water Board. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

After evaluation, several operational inefficiencies were discovered with the existing equipment. In the 2015/16 financial year Contracted Services totals R 1,800 million and has decreased by 170% per cent from the adjustment budget 2014/15. The enormous increase is the upgrading of printers and photo copiers. For the two outer years growth has been limited to just 5 and 7 per cent.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for growth in the area of asset maintenance of 3 per cent. Repairs and Maintenance expenditure is based on historical information. The reason being that the Technical Department provide no inputs and no asset renewal strategy or repairs and maintenance plans exist. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Figure 1 Main Operating Expeniture Catogary

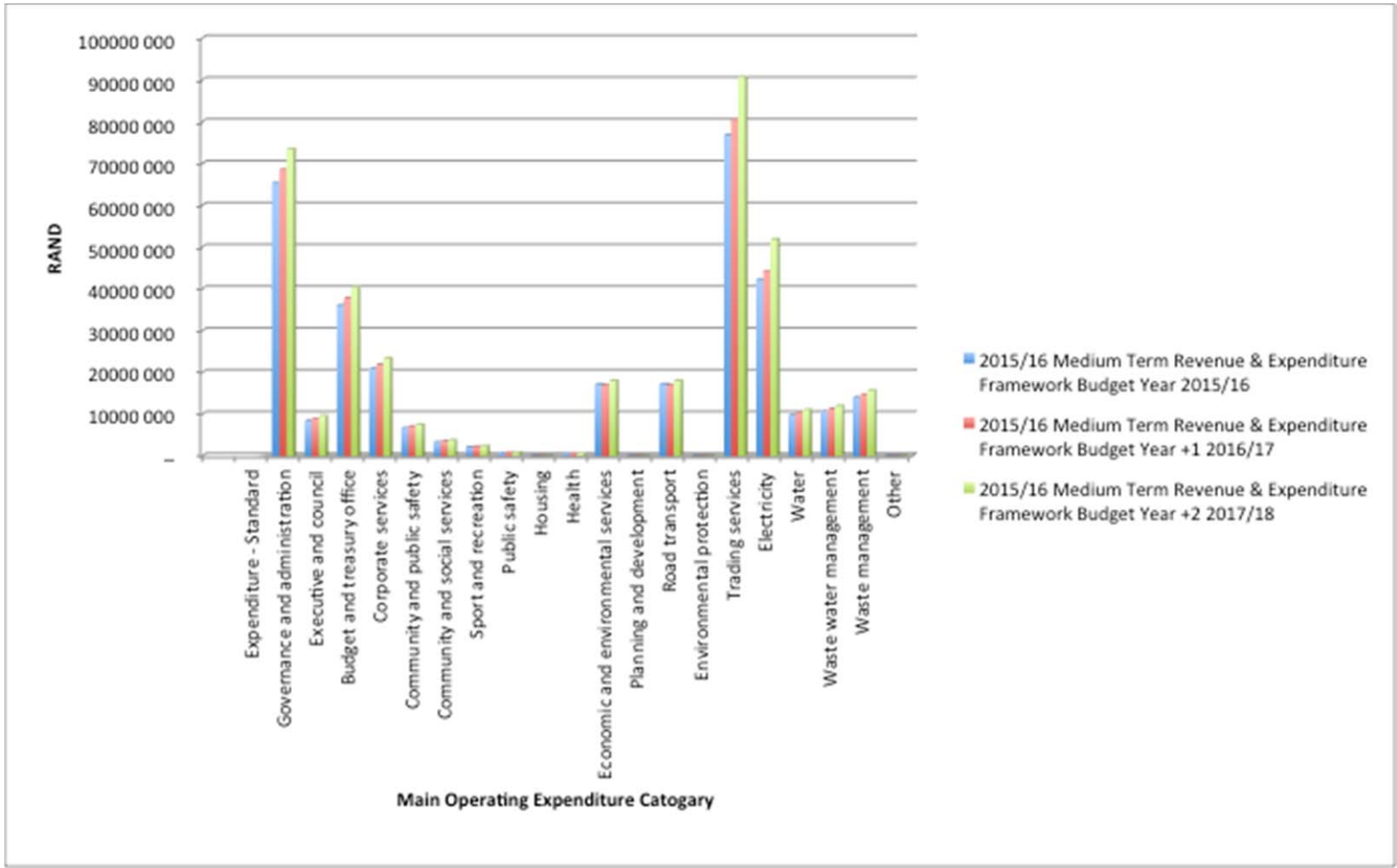


Table 12 Operational repairs and maintenance

As part of the 2015/16 MTREF priority is given to maintaining roads that comprise of 25.68 per cent of the Repairs and Maintenance budget. Water maintenance is 17.16 per cent and Electricity 15.97 per cent of the total Repairs & Maintenance Budget. The total allocation for 2015/16 equates to R 6,611 million a decrease of 18 per cent in relation to the Adjustment Budget of 2014/15 and grow at 5 and 7 per cent over the MTREF. These increases are towards maintaining roads, water and electricity as prioritised in the IDP.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

NC078 Siyancuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		3 070	3 543	—	5 702	4 891	—	5 136	5 397	5 775
Infrastructure - Road transport		3 070	1 296	—	2 101	1 495	—	1 560	1 638	1 753
Roads, Pavements & Bridges		3 070	1 296	—	2 101	1 495	—	1 560	1 638	1 753
Storm water		—	—	—	—	—	—	—	—	—
Infrastructure - Electricity		—	840	—	800	670	—	720	756	809
Generation		—	—	—	—	—	—	—	—	—
Transmission & Reticulation		—	840	—	800	670	—	720	756	809
Street Lighting		—	—	—	—	—	—	—	—	—
Infrastructure - Water		—	628	—	1 426	1 426	—	1 426	1 497	1 602
Dams & Reservoirs		—	—	—	—	—	—	—	—	—
Water purification		—	628	—	1 426	1 426	—	1 426	1 497	1 602
Reticulation		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	560	—	837	737	—	837	884	946
Reticulation		—	—	—	—	—	—	—	—	—
Sewerage purification		—	560	—	837	737	—	837	884	946
Infrastructure - Other		—	219	—	538	563	—	593	623	666
Waste Management		—	—	—	—	—	—	593	623	666
Transportation	2	—	—	—	—	—	—	—	—	—
Gas		—	—	—	—	—	—	—	—	—
Other	3	—	219	—	538	563	—	—	—	—
Community		—	393	—	1 511	—	—	1 133	1 184	1 273
Parks & gardens		—	—	—	—	—	—	—	—	—
Sportsfields & stadia		—	—	—	—	—	—	—	—	—
Swimming pools		—	—	—	—	—	—	—	—	—
Community halls		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	88	87	99
Recreational facilities		—	—	—	—	—	—	131	138	147
Fire, safety & emergency		—	—	—	—	—	—	590	620	663
Security and policing		—	—	—	—	—	—	—	—	—
Buses	7	—	—	—	—	—	—	—	—	—
Clinics		—	—	—	—	—	—	—	—	—
Museums & Art Galleries		—	—	—	—	—	—	—	—	—
Cemeteries		—	—	—	—	—	—	110	116	124
Social rental housing	8	—	—	—	—	—	—	—	—	—
Other		—	393	—	1 511	—	—	214	225	241
Heritage assets		—	—	—	—	—	—	—	—	—
Buildings	9	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Housing development		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Other assets		—	554	—	597	—	—	343	350	374
General vehicles	10	—	—	—	—	—	—	—	—	—
Specialised vehicles		—	—	—	—	—	—	—	—	—
Plant & equipment		—	—	—	—	—	—	—	—	—
Computers - hardware/equipment		—	—	—	—	—	—	171	175	187
Furniture and other office equipment		—	—	—	—	—	—	171	175	187
Abattoirs		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Civic Land and Buildings		—	—	—	—	—	—	—	—	—
Other Buildings		—	—	—	—	—	—	—	—	—
Other Land		—	—	—	—	—	—	—	—	—
Surplus Assets - (Investment or Inventory)		—	—	—	—	—	—	—	—	—
Other		—	554	—	597	—	—	—	—	—
Agricultural assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Computers - software & programming		—	—	—	—	—	—	—	—	—
Other (list sub-class)		—	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure	1	3 070	4 490	—	7 810	4 891	—	6 611	6 931	7 422
Specialised vehicles		—	—	—	—	—	—	—	—	—
Refuse		—	—	—	—	—	—	—	—	—
Fire		—	—	—	—	—	—	—	—	—
Conservancy		—	—	—	—	—	—	—	—	—
Ambulances		—	—	—	—	—	—	—	—	—
R&M as a % of PPE		1,1%	1,8%	0,0%	2,3%	1,5%	0,0%	1,9%	1,9%	2,0%
R&M as % Operating Expenditure		3,5%	4,2%	0,0%	5,2%	3,3%	0,0%	4,0%	4,0%	3,9%

For the 2016 financial year, 71 per cent or R5,265 million of total repairs and maintenance will be spent on infrastructure assets.

1.4.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 4000 more indigent households during the 2015/16 financial year, a process reviewed annually. The increase in Indigents will be Smitsdrift and farmers area in Niekerkshoop up to Grobblersshoop. A sensible total for Indigents are budgeted over the MTREF until the Indigent Register is updated at mid-year. The revenue will be adjusted if necessary in January 2014. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.5 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2013/14 Medium-term capital budget per vote

NC078 Siyancuma - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 2 - COUNCIL		—	—	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE AND HUMAN RESOURCES		—	—	—	—	—	—	—	—	—	—
Vote 4 - FINANCE		—	—	—	—	—	—	—	—	—	—
Vote 5 - PROPERTIES		—	—	—	—	—	—	—	—	—	—
Vote 6 - LIBRARIES		—	—	—	—	—	—	—	—	—	—
Vote 7 - CEMETARY		—	—	—	—	—	—	—	—	—	—
Vote 8 - PARKS AND RECREATION		—	—	—	—	—	—	—	—	—	—
Vote 9 - DISASTER MANAGEMENT		—	—	—	—	—	—	—	—	—	—
Vote 10 - WASTE MANAGEMENT		—	—	—	—	—	—	—	—	—	—
Vote 11 - PUBLIC WORKS		—	—	—	—	—	—	—	—	—	—
Vote 12 - ELECTRICITY		—	—	—	—	—	—	—	—	—	—
Vote 13 - WATER		—	—	—	—	—	—	—	—	—	—
Vote 14 - WASTE WATER MANAGEMENT		—	—	—	—	—	—	—	—	—	—
Vote 15 - TRAFFIC		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	—	—	—	—	—	—	—	—	—	—
Single-year expenditure - to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 2 - COUNCIL		—	149	—	—	50	50	—	1 200	—	—
Vote 3 - CORPORATE AND HUMAN RESOURCES		424	6 097	1 102	310	130	130	—	160	168	175
Vote 4 - FINANCE		—	570	322	—	130	130	—	160	168	175
Vote 5 - PROPERTIES		—	—	—	—	—	—	—	—	—	—
Vote 6 - LIBRARIES		—	81	203	400	400	400	—	610	—	—
Vote 7 - CEMETARY		—	—	—	—	—	—	—	—	—	—
Vote 8 - PARKS AND RECREATION		—	—	—	—	—	—	—	—	—	—
Vote 9 - DISASTER MANAGEMENT		—	—	1	—	—	—	—	—	—	—
Vote 10 - WASTE MANAGEMENT		—	330	—	—	—	—	—	—	—	—
Vote 11 - PUBLIC WORKS		4 410	8 596	10 295	8 023	8 273	8 273	—	9 687	9 970	10 693
Vote 12 - ELECTRICITY		2 658	1 146	1 431	1 500	1 500	1 500	—	3 774	2 393	1 420
Vote 13 - WATER		1 909	14 458	1 267	15 000	15 000	15 000	—	7 200	7 225	7 262
Vote 14 - WASTE WATER MANAGEMENT		2 063	416	7 972	6 300	6 300	6 300	—	4 530	5 313	6 280
Vote 15 - TRAFFIC		—	193	2	—	—	—	—	300	—	—
Capital single-year expenditure sub-total		11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005
Total Capital Expenditure - Vote		11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005
Capital Expenditure - Standard											
Governance and administration		424	6 815	1 424	310	310	310	—	1 520	336	350
Executive and council		—	149	—	—	50	50	—	1 200	—	—
Budget and treasury office		—	570	322	—	130	130	—	160	168	175
Corporate services		424	6 097	1 102	310	130	130	—	160	168	175
Community and public safety		—	274	207	400	400	400	—	910	—	—
Community and social services		—	81	203	400	400	400	—	—	—	—
Sport and recreation		—	—	—	—	—	—	—	—	—	—
Public safety		—	193	2	—	—	—	—	300	—	—
Housing		—	—	—	—	—	—	—	—	—	—
Health		—	—	1	—	—	—	—	—	—	—
Economic and environmental services		4 410	8 596	10 295	8 023	8 273	8 273	—	9 687	9 970	10 693
Planning and development		—	—	—	—	—	—	—	—	—	—
Road transport		4 410	8 596	10 295	8 023	8 273	8 273	—	9 687	9 970	10 693
Environmental protection		—	—	—	—	—	—	—	—	—	—
Trading services		6 630	16 351	10 669	22 800	22 800	22 800	—	15 504	14 931	14 962
Electricity		2 658	1 146	1 431	1 500	1 500	1 500	—	3 774	2 393	1 420
Water		1 909	14 458	1 267	15 000	15 000	15 000	—	7 200	7 225	7 262
Waste water management		2 063	416	7 972	6 300	6 300	6 300	—	4 530	5 313	6 280
Waste management		—	330	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Standard	3	11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005
Funded by:											
National Government		6 630	24 491	13 203	30 823	24 523	24 523	—	23 587	18 670	18 393
Provincial Government		—	56	—	400	6 300	6 300	—	610	4 280	4 580
District Municipality		—	—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	6 630	24 547	13 203	31 223	30 823	30 823	—	24 197	22 950	22 973
Public contributions & donations	5	—	—	—	—	—	—	—	—	—	—
Borrowing	6	—	—	—	—	—	—	—	1 800	—	—
Internally generated funds		4 834	7 489	9 392	310	960	960	—	1 624	2 287	3 033
Total Capital Funding	7	11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005

For 2015/16 an amount of R 24,197 million has been appropriated for the development of infrastructure which represents 98 per cent of the total capital budget. In the outer years this amount totals to R 22,950 million and R 22,973 million respectively.

1.5.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have NOT been included in Table 61 MBRR SA35. The Technical Manager's contract was not renewed who would have been able to assist with this section.

1.6 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 14 MBRR Table A1 - Budget Summary

NC078 Siyancuma - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	5 768	6 938	7 621	10 699	8 974	8 974	–	10 494	11 251	12 038
Service charges	31 054	39 401	41 988	63 151	62 555	62 555	–	70 654	75 600	80 892
Investment revenue	975	875	307	260	–	–	–	620	260	260
Transfers recognised - operational	34 004	38 250	42 691	50 143	42 343	42 343	–	43 928	42 270	41 769
Other own revenue	2 675	2 666	14 172	10 730	4 281	4 281	–	9 536	9 921	10 617
Total Revenue (excluding capital transfers and contributions)	74 476	88 130	106 779	134 982	118 153	118 153	–	135 233	139 302	145 577
Employee costs	28 293	35 907	38 717	49 141	44 127	44 127	–	54 543	57 081	61 078
Remuneration of councillors	2 322	3 066	3 388	3 571	3 571	3 571	–	3 161	3 319	3 552
Depreciation & asset impairment	11 034	11 287	9 015	13 894	14 307	14 307	–	14 307	15 022	16 074
Finance charges	1 527	2 380	1 674	414	–	–	217	467	520	538
Materials and bulk purchases	23 995	23 306	30 927	40 301	36 301	36 301	–	33 995	35 695	42 766
Transfers and grants	2 209	1 488	2 546	8 084	11 818	11 818	–	12 942	12 377	13 456
Other expenditure	17 313	29 902	19 862	33 586	40 019	40 019	–	46 639	48 966	52 137
Total Expenditure	86 693	107 335	106 129	148 992	150 143	150 143	217	166 055	172 980	189 601
Surplus/(Deficit)	(12 218)	(19 205)	650	(14 009)	(31 990)	(31 990)	(217)	(30 822)	(33 678)	(44 024)
Transfers recognised - capital	7 122	27 022	24 192	23 023	31 783	31 783	51 071	32 905	23 560	23 653
Contributions recognised - capital & contributed assets	1 671	106	–	–	–	–	1 875	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Capital expenditure & funds sources										
Capital expenditure	11 464	32 036	22 595	31 533	31 783	31 783	–	27 621	25 237	26 005
Transfers recognised - capital	6 630	24 547	13 203	31 223	30 823	30 823	–	24 197	22 950	22 973
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	1 800	–	–
Internally generated funds	4 834	7 489	9 392	310	960	960	–	1 624	2 287	3 033
Total sources of capital funds	11 464	32 036	22 595	31 533	31 783	31 783	–	27 621	25 237	26 005
Financial position										
Total current assets	37 132	25 702	52 029	37 081	37 081	37 081	–	49 588	57 676	91 069
Total non current assets	291 295	258 009	271 759	344 196	344 196	344 196	–	365 608	372 398	380 043
Total current liabilities	31 448	29 305	44 248	30 452	30 452	30 452	–	17 889	33 623	42 221
Total non current liabilities	18 956	21 989	22 282	20 061	20 061	20 061	–	26 025	32 036	39 202
Community wealth/Equity	278 024	232 418	257 259	330 764	330 764	330 764	–	371 281	364 415	389 688
Cash flows										
Net cash from (used) operating	18 783	30 871	26 315	24 072	(22 373)	(22 373)	(10 350)	(25 056)	(37 959)	(36 179)
Net cash from (used) investing	(9 291)	(45 894)	(21 384)	31 585	31 585	31 585	(13 214)	(13 719)	(14 237)	(19 005)
Net cash from (used) financing	1 201	(1 649)	(2 658)	(654)	654	654	–	3 619	1 072	230
Cash/cash equivalents at the year end	23 858	7 186	9 458	55 003	9 866	9 866	(23 565)	(25 289)	(76 412)	(131 366)
Cash backing/surplus reconciliation										
Cash and investments available	23 858	7 186	9 458	25 000	25 000	25 000	–	1 361	1 502	1 658
Application of cash and investments	13 327	3 831	(4 041)	17 840	17 949	17 949	–	(32 516)	(24 914)	(46 522)
Balance - surplus (shortfall)	10 531	3 355	13 500	7 160	7 051	7 051	–	33 878	26 416	48 180
Asset management										
Asset register summary (WDV)	290 506	257 431	271 166	344 196	344 196	344 196	362 184	362 184	370 112	377 010
Depreciation & asset impairment	11 034	11 287	9 015	13 894	14 307	14 307	14 307	14 307	15 022	16 074
Renewal of Existing Assets	11 464	32 559	22 595	31 533	31 783	31 783	24 891	22 950	22 950	22 973
Repairs and Maintenance	3 070	4 490	–	7 810	4 891	–	6 611	6 611	6 931	7 422
Free services										
Cost of Free Basic Services provided	453	453	–	1 179	1 179	–	8 987	8 987	7 668	7 668
Revenue cost of free services provided	10 952	5 903	–	7 668	7 668	–	8 987	8 987	7 668	7 668
Households below minimum service level										
Water:	2	2	–	2	2	–	2	2	2	2
Sanitation/sewerage:	3	3	–	4	4	–	2	2	2	2
Energy:	5	5	–	6	6	–	6	6	6	6
Refuse:	–	–	–	3	3	–	3	3	3	3

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
 - b. Capital expenditure is funded by conditional grants , of which
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Internally generated funds are financed from the current operating revenue. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. The municipality has not yet compiled a Funding and Reserves Policy. The National Treasury MFIP Advisor is currently in the process of drafting the Policy at no expense and will be finalised in the new financial year.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NC078 Siyancuma - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		52 214	75 858	60 232	84 210	43 580	43 580	46 897	45 819	45 576
Executive and council		46 447	68 920	—	2 351	2 086	2 086	2 133	2 230	2 329
Budget and treasury office		5 768	6 938	48 668	81 661	41 148	41 148	44 213	43 000	42 618
Corporate services		—	—	11 564	197	347	347	552	589	629
<i>Community and public safety</i>		—	—	2 628	1 622	1 435	1 435	41	35	38
Community and social services		—	—	1 413	750	1 356	1 356	41	35	38
Sport and recreation		—	—	224	872	79	79	—	—	—
Public safety		—	—	991	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		—	—	7 109	9 023	11 171	11 171	25 548	18 488	19 808
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		—	—	7 109	9 023	11 171	11 171	25 548	18 488	19 808
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		31 054	39 401	61 002	63 151	93 750	93 750	95 652	98 520	103 807
Electricity		14 572	20 576	26 175	34 050	37 795	37 795	48 742	48 795	51 071
Water		8 281	9 426	20 587	16 331	31 682	31 682	23 998	25 209	26 505
Waste water management		4 483	5 096	10 765	6 545	16 049	16 049	13 881	14 853	15 892
Waste management		3 718	4 302	3 475	6 224	8 225	8 225	9 031	9 663	10 340
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	83 268	115 259	130 971	158 005	149 936	149 936	168 138	162 862	169 229
Expenditure - Standard										
<i>Governance and administration</i>		86 693	107 335	41 744	20 371	58 910	58 910	65 399	68 529	73 450
Executive and council		86 693	107 335	5 059	5 558	8 153	8 153	8 486	8 903	9 640
Budget and treasury office		—	—	22 671	5 855	31 887	31 887	36 036	37 779	40 398
Corporate services		—	—	14 013	8 958	18 870	18 870	20 877	21 847	23 413
<i>Community and public safety</i>		—	—	5 491	7 732	6 351	6 351	6 742	7 077	7 510
Community and social services		—	—	2 350	3 610	3 170	3 170	3 361	3 523	3 775
Sport and recreation		—	—	1 588	2 901	2 058	2 058	2 138	2 248	2 337
Public safety		—	—	1 329	709	611	611	710	746	798
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	224	513	513	513	533	560	600
<i>Economic and environmental services</i>		—	—	10 780	24 402	15 786	15 786	17 121	16 927	17 999
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		—	—	10 780	24 402	15 786	15 786	17 121	16 927	17 999
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		—	—	48 114	96 486	69 096	69 096	76 793	80 447	90 643
Electricity		—	—	33 305	41 584	37 472	37 472	42 217	44 185	51 851
Water		—	—	5 332	24 279	9 287	9 287	9 853	10 348	11 068
Waste water management		—	—	6 906	17 588	9 918	9 918	10 694	11 233	12 016
Waste management		—	—	2 571	13 036	12 418	12 418	14 029	14 680	15 708
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	3	86 693	107 335	106 129	148 992	150 143	150 143	166 055	172 980	189 601
Surplus/(Deficit) for the year		(3 425)	7 924	24 841	9 014	(207)	(207)	2 083	(10 118)	(20 372)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government'

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC078 Siyancuma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Revenue by Vote	1									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 2 - COUNCIL		46 447	68 920	–	2 351	2 086	2 086	2 133	2 230	2 329
Vote 3 - CORPORATE AND HUMAN RESOURCES		–	–	11 564	197	347	347	217	232	248
Vote 4 - FINANCE		5 768	6 938	48 668	81 661	41 148	41 148	44 213	43 000	42 618
Vote 5 - PROPERTIES		–	–	–	–	–	–	335	357	381
Vote 6 - LIBRARIES		–	–	1 413	750	1 356	1 356	0	–	–
Vote 7 - CEMETARY		–	–	–	–	–	–	41	35	38
Vote 8 - PARKS AND RECREATION		–	–	224	872	79	79	–	–	–
Vote 9 - DISASTER MANAGEMENT		–	–	991	–	–	–	–	–	–
Vote 10 - WASTE MANAGEMENT		3 718	4 302	3 475	6 224	8 225	8 225	9 031	9 663	10 340
Vote 11 - PUBLIC WORKS		–	–	7 109	9 023	11 171	11 171	17 587	9 970	10 693
Vote 12 - ELECTRICITY		14 572	20 576	26 175	34 050	37 795	37 795	48 742	48 795	51 071
Vote 13 - WATER		8 281	9 426	20 587	16 331	31 682	31 682	23 998	25 209	26 505
Vote 14 - WASTE WATER MANAGEMENT		4 483	5 096	10 765	6 545	16 049	16 049	13 881	14 853	15 892
Vote 15 - TRAFFIC		–	–	–	–	–	–	7 961	8 518	9 115
Total Revenue by Vote	2	83 268	115 259	130 971	158 005	149 936	149 936	168 138	162 862	169 229
Expenditure by Vote to be appropriated	1									
Vote 1 - MUNICIPAL MANAGER		–	–	–	–	–	–	2 082	2 186	2 339
Vote 2 - COUNCIL		86 693	107 335	5 059	5 558	8 153	8 153	6 404	6 717	7 301
Vote 3 - CORPORATE AND HUMAN RESOURCES		–	–	14 013	8 958	18 870	18 870	16 334	17 077	18 270
Vote 4 - FINANCE		–	–	22 671	5 855	31 887	31 887	36 036	37 779	40 398
Vote 5 - PROPERTIES		–	–	–	–	–	–	4 543	4 770	5 143
Vote 6 - LIBRARIES		–	–	2 350	3 610	3 170	3 170	2 496	2 616	2 805
Vote 7 - CEMETARY		–	–	–	–	–	–	864	907	971
Vote 8 - PARKS AND RECREATION		–	–	1 588	2 901	2 058	2 058	2 138	2 248	2 337
Vote 9 - DISASTER MANAGEMENT		–	–	1 553	1 222	1 124	1 124	1 243	1 305	1 398
Vote 10 - WASTE MANAGEMENT		–	–	2 571	13 036	12 418	12 418	14 029	14 680	15 708
Vote 11 - PUBLIC WORKS		–	–	10 780	24 402	15 786	15 786	13 763	13 402	14 340
Vote 12 - ELECTRICITY		–	–	33 305	41 584	37 472	37 472	42 217	44 185	51 851
Vote 13 - WATER		–	–	5 332	24 279	9 287	9 287	9 853	10 348	11 068
Vote 14 - WASTE WATER MANAGEMENT		–	–	6 906	17 588	9 918	9 918	10 694	11 233	12 016
Vote 15 - TRAFFIC		–	–	–	–	–	–	3 358	3 526	3 659
Total Expenditure by Vote	2	86 693	107 335	106 129	148 992	150 143	150 143	166 055	172 980	189 601
Surplus/(Deficit) for the year	2	(3 425)	7 924	24 841	9 014	(207)	(207)	2 083	(10 118)	(20 372)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 17 Surplus/(Deficit) calculations for the trading services

Description	Dec-11	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Electricity										
Revenue	14572018	20576151	24517848	34049632	34801434	34801434	0	42090216	45036531	48189088
Electricity Bulk Purchases	20925178	23306142	28720944	32092382	29700000	29700000	0	33500000	35175000	42210000
Surplus/(Deficit)	-6353160	-2729991	-4203096	1957250	5101434	5101434	0	8590216	9861531	5979088
Percentage Surplus/(Deficit)	-43,60%	-13,27%	-17,14%	5,75%	14,66%	14,66%	0,00%	20,41%	21,90%	12,41%
Water										
Revenue	8281001	9426288	9855869	16331318	15479174	15479174	0	16108015	17235576	18442067
Water Bulk Purchases	0	0	0	450000	450000	450000	0	495000	519750	556133
Surplus/(Deficit)	8281001	9426288	9855869	15881318	15029174	15029174	0	15613015	16715826	17885934
Percentage Surplus	100%	100%	100%	97%	97%	97%	0%	97%	97%	97%

2. 2015/16 to 3.7 per cent by 2016/17, but deteriorate again to 14.1% in 2017/18. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases to consumers.
3. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 93.6 per cent, 93.8 per cent and 93.8 per cent for each of the respective The electricity trading deficit is improving from the 2015/16 budget from 14 per cent in financial years.

Table 18 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NC078 Siyancuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source												
Property rates	2		5 768	6 938	7 621	10 699	8 974	8 974	–	10 494	11 251	12 038
Property rates - penalties & collection charges			–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2		14 572	20 576	24 518	34 050	34 801	34 801	–	42 090	45 037	48 189
Service charges - water revenue	2		8 281	9 426	9 856	16 331	15 479	15 479	–	16 108	17 236	18 442
Service charges - sanitation revenue	2		4 483	5 096	4 139	6 545	6 592	6 592	–	6 284	6 724	7 194
Service charges - refuse revenue	2		3 718	4 302	3 475	6 224	5 683	5 683	–	6 172	6 604	7 067
Service charges - other			–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment			249	416	485	1 195	363	363	–	461	492	526
Interest earned - external investments			975	875	307	260	–	–	–	620	260	260
Interest earned - outstanding debtors			473	561	630	629	1 249	1 249	–	629	400	430
Dividends received			–	–	–	–	–	–	–	–	–	–
Fines			50	48	87	7 236	737	737	–	6 800	7 276	7 785
Licences and permits			6	13	914	450	450	450	–	450	482	515
Agency services			533	755	–	711	758	758	–	758	811	868
Transfers recognised - operational			34 004	38 250	42 691	50 143	42 343	42 343	–	43 928	42 270	41 769
Other revenue	2		1 339	873	11 920	509	724	724	–	438	460	493
Gains on disposal of PPE			25	–	137	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			74 476	88 130	106 779	134 982	118 153	118 153	–	135 233	139 302	145 577
Expenditure By Type												
Employee related costs	2		28 293	35 907	38 717	49 141	44 127	44 127	–	54 543	57 081	61 078
Remuneration of councillors			2 322	3 066	3 388	3 571	3 571	3 571	–	3 161	3 319	3 552
Debt impairment	3		8 124	11 158	91	11 159	11 159	11 159	–	11 159	11 716	12 302
Depreciation & asset impairment	2		11 034	11 287	9 015	13 894	14 307	14 307	–	14 307	15 022	16 074
Finance charges			1 527	2 380	1 674	414	–	–	217	467	520	538
Bulk purchases	2		20 925	23 306	28 721	32 542	30 150	30 150	–	33 995	35 695	42 766
Other materials	8		3 070	–	2 206	7 759	6 151	6 151	–	–	–	–
Contracted services			–	–	–	3 700	1 800	1 800	–	1 800	1 890	2 022
Transfers and grants			2 209	1 488	2 546	8 084	11 818	11 818	–	12 942	12 377	13 456
Other expenditure	4, 5		9 127	18 653	19 694	18 727	27 061	27 061	–	33 680	35 360	37 813
Loss on disposal of PPE			62	90	77	–	–	–	–	–	–	–
Total Expenditure			86 693	107 335	106 129	148 992	150 143	150 143	217	166 055	172 980	189 601
Surplus/(Deficit)			(12 218)	(19 205)	650	(14 009)	(31 990)	(31 990)	(217)	(30 822)	(33 678)	(44 024)
Transfers recognised - capital			7 122	27 022	24 192	23 023	31 783	31 783	51 071	32 905	23 560	23 653
Contributions recognised - capital	6		–	–	–	–	–	–	–	–	–	–
Contributed assets			1 671	106	–	–	–	–	1 875	–	–	–
Surplus/(Deficit) after capital transfers & contributions			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Taxation			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Attributable to minorities			–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Share of surplus/ (deficit) of associate	7		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year			(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 135,233 million in 2015/16 and increase to R 145,577 million by 2017/18.
2. Revenue to be generated from property rates is R 10,494 million in the 2015/16 financial year and increases to R 12,038 million by 2016/17 which represents 7,8 per cent of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 7.9 per cent, 7.99 per cent and 7.8 per cent for each of the respective financial years over the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 70,654 million for the 2015/16 financial year and increasing to R 80,892 million by 2016/17. This growth can mainly be attributed to the increases in tariffs over the MTREF.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that the grants receipts from national government are growing rapidly over the MTREF.
5. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R 20,925 million to R 42,766 million. These increases can be attributed to the substantial increase in the cost of bulk Electricity from Eskom .
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Figure 2 Expenditure by Major Type

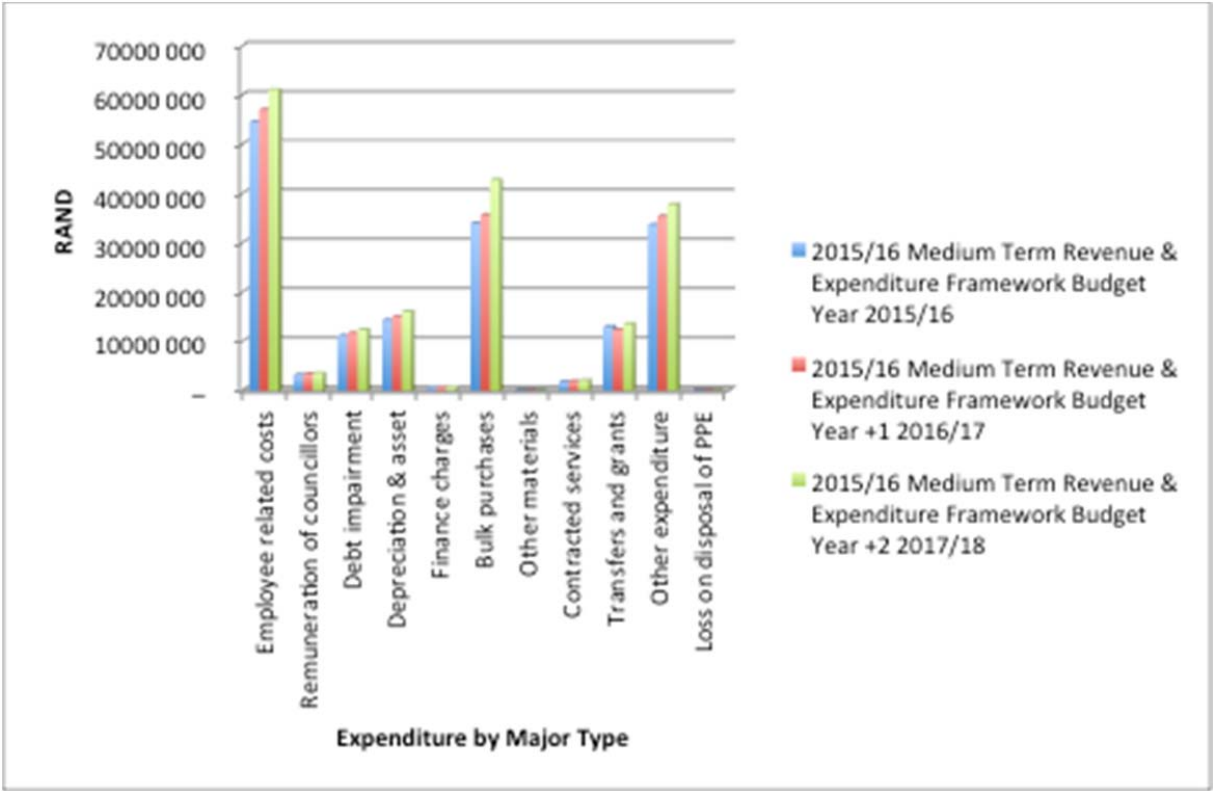


Table 19 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

NC078 Siyancuma - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 2 - COUNCIL		—	—	—	—	—	—	—	—	—	—
Vote 3 - CORPORATE AND HUMAN RESOURCES		—	—	—	—	—	—	—	—	—	—
Vote 4 - FINANCE		—	—	—	—	—	—	—	—	—	—
Vote 5 - PROPERTIES		—	—	—	—	—	—	—	—	—	—
Vote 6 - LIBRARIES		—	—	—	—	—	—	—	—	—	—
Vote 7 - CEMETARY		—	—	—	—	—	—	—	—	—	—
Vote 8 - PARKS AND RECREATION		—	—	—	—	—	—	—	—	—	—
Vote 9 - DISASTER MANAGEMENT		—	—	—	—	—	—	—	—	—	—
Vote 10 - WASTE MANAGEMENT		—	—	—	—	—	—	—	—	—	—
Vote 11 - PUBLIC WORKS		—	—	—	—	—	—	—	—	—	—
Vote 12 - ELECTRICITY		—	—	—	—	—	—	—	—	—	—
Vote 13 - WATER		—	—	—	—	—	—	—	—	—	—
Vote 14 - WASTE WATER MANAGEMENT		—	—	—	—	—	—	—	—	—	—
Vote 15 - TRAFFIC		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	—	—	—	—	—	—	—	—	—	—
Single-year expenditure - to be appropriated	2										
Vote 1 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 2 - COUNCIL		—	149	—	—	50	50	—	1 200	—	—
Vote 3 - CORPORATE AND HUMAN RESOURCES		424	6 097	1 102	310	130	130	—	160	168	175
Vote 4 - FINANCE		—	570	322	—	130	130	—	160	168	175
Vote 5 - PROPERTIES		—	—	—	—	—	—	—	—	—	—
Vote 6 - LIBRARIES		—	81	203	400	400	400	—	610	—	—
Vote 7 - CEMETARY		—	—	—	—	—	—	—	—	—	—
Vote 8 - PARKS AND RECREATION		—	—	—	—	—	—	—	—	—	—
Vote 9 - DISASTER MANAGEMENT		—	—	1	—	—	—	—	—	—	—
Vote 10 - WASTE MANAGEMENT		—	330	—	—	—	—	—	—	—	—
Vote 11 - PUBLIC WORKS		4 410	8 596	10 295	8 023	8 273	8 273	—	9 687	9 970	10 693
Vote 12 - ELECTRICITY		2 658	1 146	1 431	1 500	1 500	1 500	—	3 774	2 393	1 420
Vote 13 - WATER		1 909	14 458	1 267	15 000	15 000	15 000	—	7 200	7 225	7 262
Vote 14 - WASTE WATER MANAGEMENT		2 063	416	7 972	6 300	6 300	6 300	—	4 530	5 313	6 280
Vote 15 - TRAFFIC		—	193	2	—	—	—	—	300	—	—
Capital single-year expenditure sub-total		11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005
Total Capital Expenditure - Vote		11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005
Capital Expenditure - Standard											
Governance and administration		424	6 815	1 424	310	310	310	—	1 520	336	350
Executive and council		—	149	—	—	50	50	—	1 200	—	—
Budget and treasury office		—	570	322	—	130	130	—	160	168	175
Corporate services		424	6 097	1 102	310	130	130	—	160	168	175
Community and public safety		—	274	207	400	400	400	—	910	—	—
Community and social services		—	81	203	400	400	400	—	—	—	—
Sport and recreation		—	—	—	—	—	—	—	610	—	—
Public safety		—	193	2	—	—	—	—	300	—	—
Housing		—	—	—	—	—	—	—	—	—	—
Health		—	—	1	—	—	—	—	—	—	—
Economic and environmental services		4 410	8 596	10 295	8 023	8 273	8 273	—	9 687	9 970	10 693
Planning and development		—	—	—	—	—	—	—	—	—	—
Road transport		4 410	8 596	10 295	8 023	8 273	8 273	—	9 687	9 970	10 693
Environmental protection		—	—	—	—	—	—	—	—	—	—
Trading services		6 630	16 351	10 669	22 800	22 800	22 800	—	15 504	14 931	14 962
Electricity		2 658	1 146	1 431	1 500	1 500	1 500	—	3 774	2 393	1 420
Water		1 909	14 458	1 267	15 000	15 000	15 000	—	7 200	7 225	7 262
Waste water management		2 063	416	7 972	6 300	6 300	6 300	—	4 530	5 313	6 280
Waste management		—	330	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Standard	3	11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005
Funded by:											
National Government		6 630	24 491	13 203	30 823	24 523	24 523	—	23 587	18 670	18 393
Provincial Government		—	56	—	400	6 300	6 300	—	610	4 280	4 580
District Municipality		—	—	—	—	—	—	—	—	—	—
Other transfers and grants		—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	6 630	24 547	13 203	31 223	30 823	30 823	—	24 197	22 950	22 973
Public contributions & donations	5	—	—	—	—	—	—	—	—	—	—
Borrowing	6	—	—	—	—	—	—	—	1 800	—	—
Internally generated funds		4 834	7 489	9 392	310	960	960	—	1 624	2 287	3 033
Total Capital Funding	7	11 464	32 036	22 595	31 533	31 783	31 783	—	27 621	25 237	26 005

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The capital programme is funded from capital and provincial grants and transfers, and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Figure 3 Capital Infrustructure Program

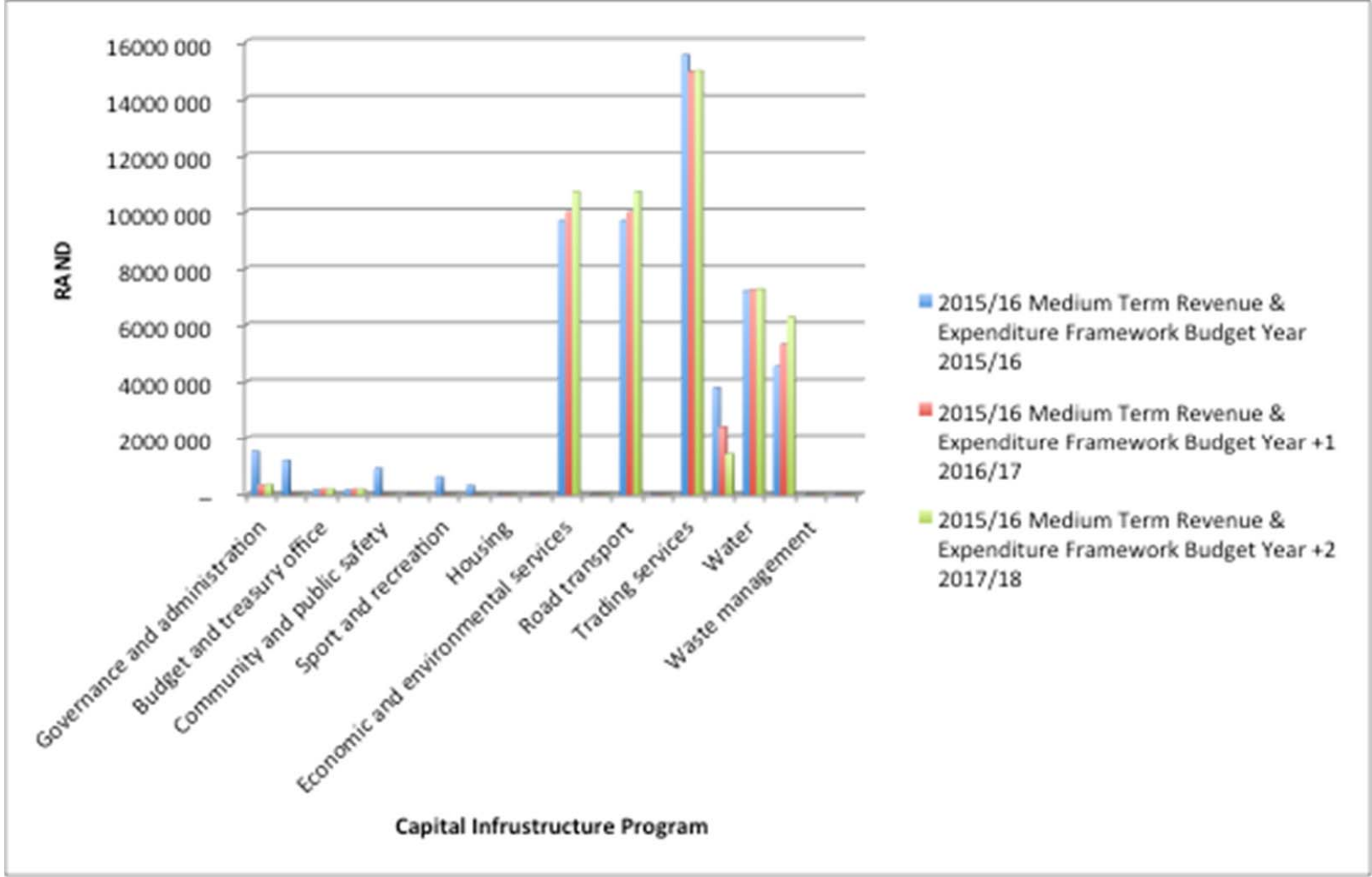


Table 20 MBRR Table A6 - Budgeted Financial Position

NC078 Siyancuma - Table A6 Budgeted Financial Position

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS												
Current assets												
Cash			23 858	1 685	9 458	25 000	–	–	–	1 300	1 437	1 587
Call investment deposits	1		–	5 500	–	–	25 000	25 000	–	61	66	70
Consumer debtors	1		11 249	9 508	26 479	3 301	3 301	3 301	–	42 754	52 805	87 188
Other debtors			1 818	8 586	15 590	8 780	8 780	8 780	–	4 917	2 753	1 542
Current portion of long-term receivables			–	–	–	–	–	–	–	–	–	–
Inventory	2		207	422	502	–	–	–	–	556	615	681
Total current assets			37 132	25 702	52 029	37 081	37 081	37 081	–	49 588	57 676	91 069
Non current assets												
Long-term receivables			–	–	–	–	–	–	–	–	–	–
Investments			–	–	–	–	–	–	–	–	–	–
Investment property			9 982	9 982	9 982	9 982	9 982	9 982	–	9 982	9 982	9 982
Investment in Associate			–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3		278 981	246 470	260 070	334 214	334 214	334 214	–	351 087	359 015	365 914
Agricultural			–	–	–	–	–	–	–	–	–	–
Biological			1 059	521	481	–	–	–	–	481	481	481
Intangible			484	458	634	–	–	–	–	634	634	634
Other non-current assets			788	578	593	–	–	–	–	3 424	2 287	3 033
Total non current assets			291 295	258 009	271 759	344 196	344 196	344 196	–	365 608	372 398	380 043
TOTAL ASSETS			328 427	283 711	323 788	381 277	381 277	381 277	–	415 196	430 074	471 112
LIABILITIES												
Current liabilities												
Bank overdraft	1		–	–	–	–	–	–	–	–	–	–
Borrowing	4		1 321	2 140	2 330	621	621	621	–	710	500	459
Consumer deposits			175	188	165	–	–	–	–	184	206	231
Trade and other payables	4		27 129	21 504	35 433	29 831	29 831	29 831	–	8 579	23 204	30 323
Provisions			2 823	5 474	6 320	–	–	–	–	8 416	9 713	11 208
Total current liabilities			31 448	29 305	44 248	30 452	30 452	30 452	–	17 889	33 623	42 221
Non current liabilities												
Borrowing			4 078	6 371	4 693	3 400	3 400	3 400	–	2 840	2 000	1 836
Provisions			14 878	15 618	17 588	16 661	16 661	16 661	–	23 185	30 036	37 366
Total non current liabilities			18 956	21 989	22 282	20 061	20 061	20 061	–	26 025	32 036	39 202
TOTAL LIABILITIES			50 403	51 294	66 529	50 513	50 513	50 513	–	43 915	65 659	81 423
NET ASSETS			278 024	232 418	257 259	330 764	330 764	330 764	–	371 281	364 415	389 688
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			278 024	232 418	257 259	330 764	330 764	330 764	–	371 281	364 415	389 688
Reserves	4		–	–	–	–	–	–	–	–	–	–
Minorities' interests			–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY			278 024	232 418	257 259	330 764	330 764	330 764	–	371 281	364 415	389 688

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 21 MBRR Table A7 - Budgeted Cash Flow Statement

NC078 Siyancuma - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		41 692	47 864	59 718	83 951	74 561	74 561	28 212	9 781	10 639	11 384
Service charges									59 487	63 651	68 106
Other revenue									8 907	9 521	10 187
Government - operating	1	34 004	38 250	42 691	48 643	10 560	10 560	14 718	43 280	41 600	41 082
Government - capital	1	7 122	27 022	24 192	24 523	31 783	31 783	10 098	32 295	22 950	22 973
Interest		1 447	1 436	937	889	1 249	1 249	579	1 249	660	690
Dividends									-	-	-
Payments											
Suppliers and employees		(63 941)	(80 131)	(97 003)	(115 437)	(114 401)	(114 401)	(60 522)	(154 154)	(160 997)	(162 821)
Finance charges		(1 527)	(2 083)	(1 674)	(414)	(14 307)	(14 307)	(136)	(11 159)	(11 716)	(12 302)
Transfers and Grants	1	(14)	(1 488)	(2 546)	(18 083)	(11 818)	(11 818)	(3 301)	(14 742)	(14 267)	(15 478)
NET CASH FROM/(USED) OPERATING ACTIVITIES		18 783	30 871	26 315	24 072	(22 373)	(22 373)	(10 350)	(25 056)	(37 959)	(36 179)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		104	1 751	331					-	-	-
Decrease (Increase) in non-current debtors			(20 402)		31 585	31 585	31 585		22 000	11 000	7 000
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(9 394)	(27 242)	(21 715)				(13 214)	(35 719)	(25 237)	(26 005)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 291)	(45 894)	(21 384)	31 585	31 585	31 585	(13 214)	(13 719)	(14 237)	(19 005)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		2 247	1 638						4 500	-	-
Increase (decrease) in consumer deposits		(9)	12	(23)					19	22	25
Payments											
Repayment of borrowing		(1 036)	(3 299)	(2 635)	(654)	654	654		(900)	1 050	205
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 201	(1 649)	(2 658)	(654)	654	654	-	3 619	1 072	230
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	10 694	(16 672)	2 273	55 003	9 866	9 866	(23 565)	(35 155)	(51 124)	(54 954)
Cash/cash equivalents at the year end:	2	13 164	23 858	7 186					9 866	(25 289)	(76 412)
Cash/cash equivalents at the year end:	2	23 858	7 186	9 458	55 003	9 866	9 866	(23 565)	(25 289)	(76 412)	(131 366)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash flow of the municipality fluctuate significantly over the 2011/12 to 2013/14 period due to a net decrease in cash since the 2011/12 financial year.
4. As part of the 2014/15 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
5. In addition the Municipality undertook an extensive debt collection drive resulting in cash receipts on arrear debtors of R 22 million. These interventions translated into a net cash position of R9.810 million for the 2014/15 financial year.
6. The 2013/14 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term and resulted in a budgeted positive cash flow of R13.719.
7. A positive cash flow of R33 thousand was budgeted for the 2015/16 financial year but the planning for the next two financial years should be adjusted to enable a positive cash flow.

Table 22 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NC078 Siyancuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available											
Cash/cash equivalents at the year end	1	23 858	7 186	9 458	55 003	9 866	9 866	(23 565)	(25 289)	(76 412)	(131 366)
Other current investments > 90 days		0	0	–	(30 003)	15 134	15 134	23 565	26 650	77 915	133 024
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		23 858	7 186	9 458	25 000	25 000	25 000	–	1 361	1 502	1 658
Application of cash and investments											
Unspent conditional transfers		–	–	17 106	22 541	22 541	22 541	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	13 327	3 831	(21 147)	(4 701)	(4 592)	(4 592)	–	(32 516)	(24 914)	(46 522)
Other provisions		–	–	–	–	–	–	–	–	–	–
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		13 327	3 831	(4 041)	17 840	17 949	17 949	–	(32 516)	(24 914)	(46 522)
Surplus(shortfall)		10 531	3 355	13 500	7 160	7 051	7 051	–	33 878	26 416	48 180

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The municipality maintains a positive cash flow for the MTREF period

Table 23 MBRR Table A9 - Asset Management

NC078 Siyancuma - Table A9 Asset Management

Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CAPITAL EXPENDITURE											
Total New Assets											
	Infrastructure - Road transport	1	—	—	—	—	—	—	2 730	2 287	3 033
	Infrastructure - Electricity		—	—	—	—	—	—	—	—	—
	Infrastructure - Water		—	—	—	—	—	—	—	—	—
	Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
	Infrastructure - Other		—	—	—	—	—	—	—	—	—
	Infrastructure		—	—	—	—	—	—	—	—	—
	Community		—	—	—	—	—	—	—	—	—
	Heritage assets		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Other assets	6	—	—	—	—	—	—	2 730	2 287	3 033
	Agricultural Assets		—	—	—	—	—	—	—	—	—
	Biological assets		—	—	—	—	—	—	—	—	—
	Intangibles		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets											
	Infrastructure - Road transport	2	11 464	32 559	22 595	31 533	31 783	31 783	24 891	22 950	22 973
	Infrastructure - Electricity		4 410	8 485	10 287	8 023	8 023	8 023	9 687	9 970	10 693
	Infrastructure - Water		2 658	1 146	1 409	1 500	1 500	1 500	3 774	2 000	1 000
	Infrastructure - Sanitation		1 909	14 458	1 261	15 000	15 000	15 000	7 200	6 700	6 700
	Infrastructure - Other		2 063	377	7 972	6 300	6 300	6 300	4 230	4 280	4 580
	Infrastructure		11 040	24 466	20 930	30 823	30 823	30 823	24 891	22 950	22 973
	Community		—	81	81	400	—	—	—	—	—
	Heritage assets		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Other assets	6	424	8 012	1 585	310	960	960	—	—	—
	Agricultural Assets		—	—	—	—	—	—	—	—	—
	Biological assets		—	—	—	—	—	—	—	—	—
	Intangibles		—	—	—	—	—	—	—	—	—
Total Capital Expenditure											
	Infrastructure - Road transport	4	4 410	8 485	10 287	8 023	8 023	8 023	9 687	9 970	10 693
	Infrastructure - Electricity		2 658	1 146	1 409	1 500	1 500	1 500	3 774	2 000	1 000
	Infrastructure - Water		1 909	14 458	1 261	15 000	15 000	15 000	7 200	6 700	6 700
	Infrastructure - Sanitation		2 063	377	7 972	6 300	6 300	6 300	4 230	4 280	4 580
	Infrastructure - Other		—	—	—	—	—	—	—	—	—
	Infrastructure		11 040	24 466	20 930	30 823	30 823	30 823	24 891	22 950	22 973
	Community		—	81	81	400	—	—	—	—	—
	Heritage assets		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Other assets	6	424	8 012	1 585	310	960	960	2 730	2 287	3 033
	Agricultural Assets		—	—	—	—	—	—	—	—	—
	Biological assets		—	—	—	—	—	—	—	—	—
	Intangibles		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class											
		2	11 464	32 559	22 595	31 533	31 783	31 783	27 621	25 237	26 005
ASSET REGISTER SUMMARY - PPE (WDV)											
	Infrastructure - Road transport	5	48 679	33 748	23 430	43 114	43 114	43 114	45 291	46 314	47 204
	Infrastructure - Electricity		39 120	32 591	31 641	58 223	58 223	58 223	61 163	62 544	63 746
	Infrastructure - Water		70 607	62 605	46 446	85 466	85 466	85 466	86 357	89 522	90 540
	Infrastructure - Sanitation		53 953	36 297	35 237	64 840	64 840	64 840	68 114	69 652	70 990
	Infrastructure - Other		4 077	1 740	44 872	82 570	82 570	82 570	86 739	88 697	90 402
	Infrastructure		216 436	166 982	181 627	334 214	334 214	334 214	347 663	356 728	362 881
	Community		54 092	66 894	66 680	—	—	—	—	—	—
	Heritage assets		9	—	—	—	—	—	—	—	—
	Investment properties		9 982	9 982	9 982	9 982	9 982	9 982	9 982	9 982	9 982
	Other assets		8 444	12 594	11 763	—	—	—	3 424	2 287	3 033
	Agricultural Assets		—	—	—	—	—	—	—	—	—
	Biological assets		1 059	521	481	—	—	—	481	481	481
	Intangibles		484	458	634	—	—	—	634	634	634
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)											
		5	290 506	257 431	271 166	344 196	344 196	344 196	362 184	370 112	377 010
EXPENDITURE OTHER ITEMS											
	Depreciation & asset impairment		11 034	11 287	9 015	13 894	14 307	14 307	14 307	15 022	16 074
	Repairs and Maintenance by Asset Class	3	3 070	4 480	—	7 810	4 891	—	6 131	6 931	7 422
	Infrastructure - Road transport		3 070	1 296	—	2 101	1 495	—	1 560	1 638	1 753
	Infrastructure - Electricity		—	840	—	800	670	—	720	756	809
	Infrastructure - Water		—	628	—	1 426	1 426	—	1 426	1 497	1 602
	Infrastructure - Sanitation		—	560	—	837	737	—	837	884	946
	Infrastructure - Other		—	219	—	538	563	—	593	623	666
	Infrastructure		3 070	3 543	—	5 702	4 891	—	5 136	5 397	5 775
	Community		—	393	—	1 511	—	—	1 133	1 184	1 273
	Heritage assets		—	—	—	—	—	—	—	—	—
	Investment properties		—	—	—	—	—	—	—	—	—
	Other assets	6, 7	—	554	—	597	—	—	343	350	374
TOTAL EXPENDITURE OTHER ITEMS											
			14 104	15 777	9 015	21 704	19 198	14 307	20 918	21 954	23 496
Renewal of Existing Assets as % of total capex											
			100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	90,1%	90,9%	88,3%
Renewal of Existing Assets as % of deprecn"											
			103,9%	288,5%	250,6%	227,0%	222,2%	222,2%	174,0%	152,8%	142,9%
R&M as a % of PPE											
			1,1%	1,8%	0,0%	2,3%	1,5%	0,0%	1,9%	1,9%	2,0%
Renewal and R&M as a % of PPE											
			5,0%	14,0%	8,0%	11,0%	11,0%	9,0%	9,0%	8,0%	6,0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. Unfortunately due to the huge backlogs the municipality cannot attend to the renewal of assets yet.

Table 24 MBRR Table A10 - Basic Service Delivery Measurement

NC078 Siyancuma - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		320	320		696	696		696	696	696
Piped water inside yard (but not in dwelling)		450	450		424	424		424	424	424
Using public tap (at least min.service level)	2	720	720		1 089	1 089		1 279	1 352	1 451
Other water supply (at least min.service level)	4	370	370		726	726		726	726	726
<i>Minimum Service Level and Above sub-total</i>		1 860	1 860	—	2 935	2 935	—	3 125	3 198	3 297
Using public tap (< min.service level)	3	950	950		1 089	1 089		1 089	1 089	1 089
Other water supply (< min.service level)	4	350	350		242	242		242	242	242
No water supply		600	600		424	424		424	424	424
<i>Below Minimum Service Level sub-total</i>		1 900	1 900	—	1 755	1 755	—	1 755	1 755	1 755
Total number of households	5	3 760	3 760	—	4 690	4 690	—	4 880	4 953	5 052
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		2 372	2 372		5 082	5 082		1 492	1 611	1 525
Flush toilet (with septic tank)		788	788		1 597	1 597		1 598	1 598	1 597
Chemical toilet		466	466		238	238		238	238	238
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		3 626	3 626	—	6 917	6 917	—	3 328	3 347	3 360
Bucket toilet		1 434	1 434		1 735	1 735		1 735	1 735	1 735
Other toilet provisions (< min.service level)		1 899	1 899		2 298	2 298		535	600	700
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		3 333	3 333	—	4 033	4 033	—	2 270	2 335	2 435
Total number of households	5	6 959	6 959	—	10 950	10 950	—	5 598	5 682	5 795
Energy:										
Electricity (at least min.service level)		4 186	4 186		5 808	5 808		5 808	5 808	5 808
Electricity - prepaid (min.service level)		286	286		5 808	5 808		5 808	5 808	5 808
<i>Minimum Service Level and Above sub-total</i>		4 472	4 472	—	5 808	5 808	—	5 808	5 808	5 808
Electricity (< min.service level)		4 758	4 758		4 840	4 840		4 840	4 840	4 840
Electricity - prepaid (< min. service level)		723	723		1 289	1 289		1 289	1 289	1 289
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		5 481	5 481	—	6 129	6 129	—	6 129	6 129	6 129
Total number of households	5	9 953	9 953	—	11 937	11 937	—	11 937	11 937	11 937
Refuse:										
Removed at least once a week		3 583	3 583		4 193	4 193		4 193	4 193	4 193
<i>Minimum Service Level and Above sub-total</i>		3 583	3 583	—	4 193	4 193	—	4 193	4 193	4 193
Removed less frequently than once a week					1 452	1 452		1 452	1 452	1 452
Using communal refuse dump										
Using own refuse dump					557	557		557	557	557
Other rubbish disposal					660	660		660	660	660
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		—	—	—	2 669	2 669	—	2 669	2 669	2 669
Total number of households	5	3 583	3 583	—	6 862	6 862	—	6 862	6 862	6 862
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		2 027	2 027		2 750	2 750		2 750	2 750	2 750
Sanitation (free minimum level service)		2 027	2 027		2 750	2 750		2 750	2 750	2 750
Electricity/other energy (50kwh per household per month)		2 027	2 027		1 656	1 656		1 656	1 656	1 656
Refuse (removed at least once a week)		2 027	2 027		2 750	2 750		2 750	2 750	2 750
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		245	245		298	298		1 148	923	923
Sanitation (free sanitation service)		90	90		144	144		3 591	2 916	2 916
Electricity/other energy (50kwh per household per month)		47	47		738	738		1 389	1 506	1 506
Refuse (removed once a week)		71	71					2 859	2 322	2 322
Total cost of FBS provided (minimum social package)		453	453	—	1 179	1 179	—	8 987	7 668	7 668
Highest level of free service provided										
Property rates (R value threshold)		15 000								
Water (kilolitres per household per month)		6	6		6	6		6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		42	42		93	93		93	93	93
Electricity (kwh per household per month)		50	50		50	50		50	50	50
Refuse (average litres per week)		1	1		1	1		1	1	1
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)										
Property rates (other exemptions, reductions and rebates)		5 049								
Water		806	806		923	923		1 148	923	923
Sanitation		1 704	1 704		2 916	2 916		3 591	2 916	2 916
Electricity/other energy		1 342	1 342		1 506	1 506		1 389	1 506	1 506
Refuse		2 051	2 051		2 322	2 322		2 859	2 322	2 322
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6			—	7 668	7 668	—	8 987	7 668	7 668

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs although the municipality is entirely dependent on conditional grants to achieve total eradication.

Part 2 – Supporting Documentation

1.7 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor who is responsible for the finances of the municipality.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

1.7.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule before 31 August 2014. Key dates applicable to the process were:

- **August 2014** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2015/16 MTREF;
 - **November 2014** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
 - **to 7 January 2015** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
 - **January 2015** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
 - **28 January 2015** - Council considers the 2014/15 Mid-year Review and Adjustments Budget;
 - **February 2015**- Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2015/16 MTREF is revised accordingly;
 - **31 March 2015** - Tabling in Council of the draft 2015/16 IDP and 2015/16 MTREF for public consultation;
 - **April 2015** – Public consultation;
 - **6 May 2015**- Closing date for written comments;
 - **6 to 21 May 2015** – finalisation of the 2015/16 IDP and 2015/16 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
 - **29 May 2015** - Tabling of the 2015/146MTREF before Council for consideration and approval.
- There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

1.7.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
 - Public participation process;
 - Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

With the compilation of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2015/16 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

1.7.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
 - Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
 - Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
 - Cash Flow Management Strategy
 - Debtor payment levels
 - Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
 - Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Budget Circulars has been taken into consideration in the planning and prioritisation process.

1.7.4 Community Consultation

The draft 2015/16 MTREF as tabled before Council on 31 March 2015 for community consultation was published, and hard copies were made available at customer care offices, municipal notice boards and various offices.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make comments.

Ward Committees were utilised to facilitate the community consultation process from 17 to 29 May 2015, and included nine public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance of 80 was recorded per meeting. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisation

1.8 Overview of alignment of annual budget with IDP

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2015/16 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 25 IDP Strategic Objectives

2014/15 Financial Year	2015/16 - 17 MTREF
1. Basic Service Delivery	1. Sewerage Refuse removal Electricity admin, generation and distribution Water storage and distribution Cemetary Main roads Commonage Municipal Buildings Public works Parks and gardens
2. Good Governance and Public Participation	2. Good Governance and Public Participation Executive and Council Corporate Services
3. Municipal Financial Viability	3.1 Rates
	3.2 Budget and Treasury Office
4. Municipal Institutional Development and Transformation	4. Library Health Museums Clinics
5. Local Economic Development	5.1 Fire Service
	5.2 Traffic and licencing
	5.3 Civil Defence

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide Electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide Municipality planning services; and
 - Maintaining the infrastructure of the Municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Extending waste removal services and ensuring effective Municipality cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Siyancuma principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
 - Implementing Siyancuma in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

5.3 Optimal institutional transformation to ensure Municipality to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

The 2015/16 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 26 MBRR revenue Table SA4 - Reconciliation between the IDP strategic objectives and budget

NC078 Siyancuma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
BASIC SERVICE DELIVERY	Waste Water Management			4 483	5 096	10 765	6 545	16 049	16 049	13 881	14 853	15 892
	Waste Management			3 718	4 302	3 475	6 224	8 225	8 225	9 031	9 663	10 340
	Public Works			—	—	7 109	9 023	11 171	11 171	17 587	9 970	10 693
	Water			8 281	9 426	20 587	16 331	31 682	31 682	23 998	25 209	26 505
	Electricity			14 572	20 576	26 175	34 050	37 795	37 795	48 742	48 795	51 071
Municipal Inst Development												
Municipal Financial Viability & Management	Budget Office			5 768	6 938	48 668	81 661	41 148	41 148	44 213	43 000	42 618
	Properties Holiday Resort									335	357	381
Good Governance & Public Participation	Municipal Manager											
	Council			46 447	68 920	991	2 351	2 086	2 086	2 133	2 230	2 329
	Corporate Services			—	—	11 564	197	347	347	217	232	248
	Community Services			—	—	1 413	750	1 356	1 356	41	35	38
	Traffic			—	—	—	—	—	—	7 961	8 518	9 115
Local Economic Development												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	83 268	115 259	130 971	158 005	149 936	149 936	168 138	162 862	169 229

Table 27 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

NC078 Siyancuma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

NC076 Siyancuma - Supporting Table SA5 Reconciliation of IDP Strategic Objectives and Budget (Operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
BASIC SERVICE DELIVERY	Waste Water Management			—	—	6 906	17 588	9 918	9 918	10 694	11 233	12 016	
	Waste Management			—	—	2 571	13 036	12 418	12 418	14 029	14 680	15 708	
	Public Works			—	—	10 780	24 402	15 786	15 786	13 763	13 402	14 340	
	Water			—	—	5 332	24 279	9 287	9 287	9 853	10 348	11 068	
	Electricity			—	—	33 305	41 584	37 472	37 472	42 217	44 185	51 851	
Municipal Inst Development													
Municipal Financial Viability & Management	Budget Office			—	—	22 671	5 855	31 887	31 887	36 036	37 779	40 398	
	Properties			—	—	—	—	—	—	4 543	4 770	5 143	
	Holiday Resort			—	—	1 588	2 901	2 058	2 058	2 138	2 248	2 337	
Good Governance & Public Participation	Municipal Manager			—	—	—	—	—	—	2 082	2 186	2 339	
	Council			86 693	107 335	5 059	5 558	8 153	8 153	6 404	6 717	7 301	
	Corporate Services			—	—	14 013	8 958	18 870	18 870	16 334	17 077	18 270	
	Community Services			—	—	2 350	3 610	3 170	3 170	3 361	3 523	3 775	
	Traffic			—	—	—	—	—	—	3 358	3 526	3 659	
	Disaster Management			—	—	1 553	1 222	1 124	1 124	1 243	1 305	1 398	
Local Economic Development													
Allocations to other priorities													
Total Expenditure				1	86 693	107 335	106 129	148 992	150 143	150 143	166 055	172 980	189 601

Table 28 MBRR Table SA6 - Reconciliation between the IDP strategic objectives.

NC078 Siyancuma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
R thousand													
BASIC SERVICE DELIVERY	Waste Water Management	A	31	2 063	416	7 972	6 300	6 300		4 530	5 313	6 280	
	Waste Management	B		–	330	–	–	–	–	–	–	–	
	Public Works	C		4 410	8 596	10 295	8 023	8 273		9 687	9 970	10 693	
	Water	D		1 909	14 458	1 267	15 000	15 000		7 200	7 225	7 262	
	Electricity	E		2 658	1 146	1 431	1 500	1 500		3 774	2 393	1 420	
	Municipal Inst Development	F		–	–	–	–	–		–	–	–	
G													
Municipal Financial Viability & Management	Budget Office	H			570	322		130		160	168	175	
	Properties	I		–	–	–	–	–		–	–	–	
	Holiday Resort	J		–	–	–	–	–		–	–	–	
Good Governance & Public Participation	Municipal Manager	K		–	–	–	–	–		–	–	–	
	Council	L		–	149	–	–	50		1 200	–	–	
	Corporate Services	M		424	6 097	1 102	310	130		160	168	175	
	Community Services	N		–	274	207	400	400		910	–	–	
	Traffic	O		–	–	–	–	–		–	–	–	
	Disaster Management	P		–	–	–	–	–		–	–	–	
Allocations to other priorities				3									
Total Capital Expenditure				1	11 464	32 036	22 595	31 533	31 783	–	27 621	25 237	26 005

1.9 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

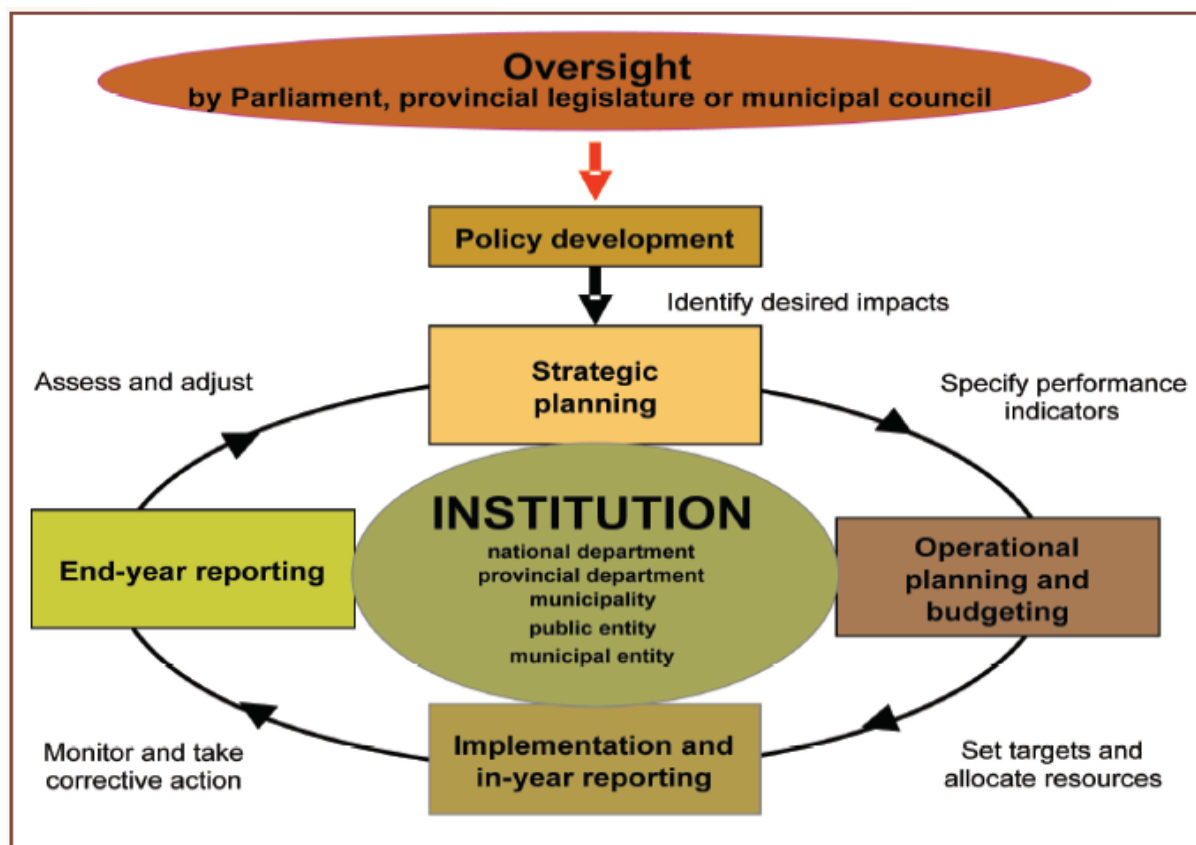


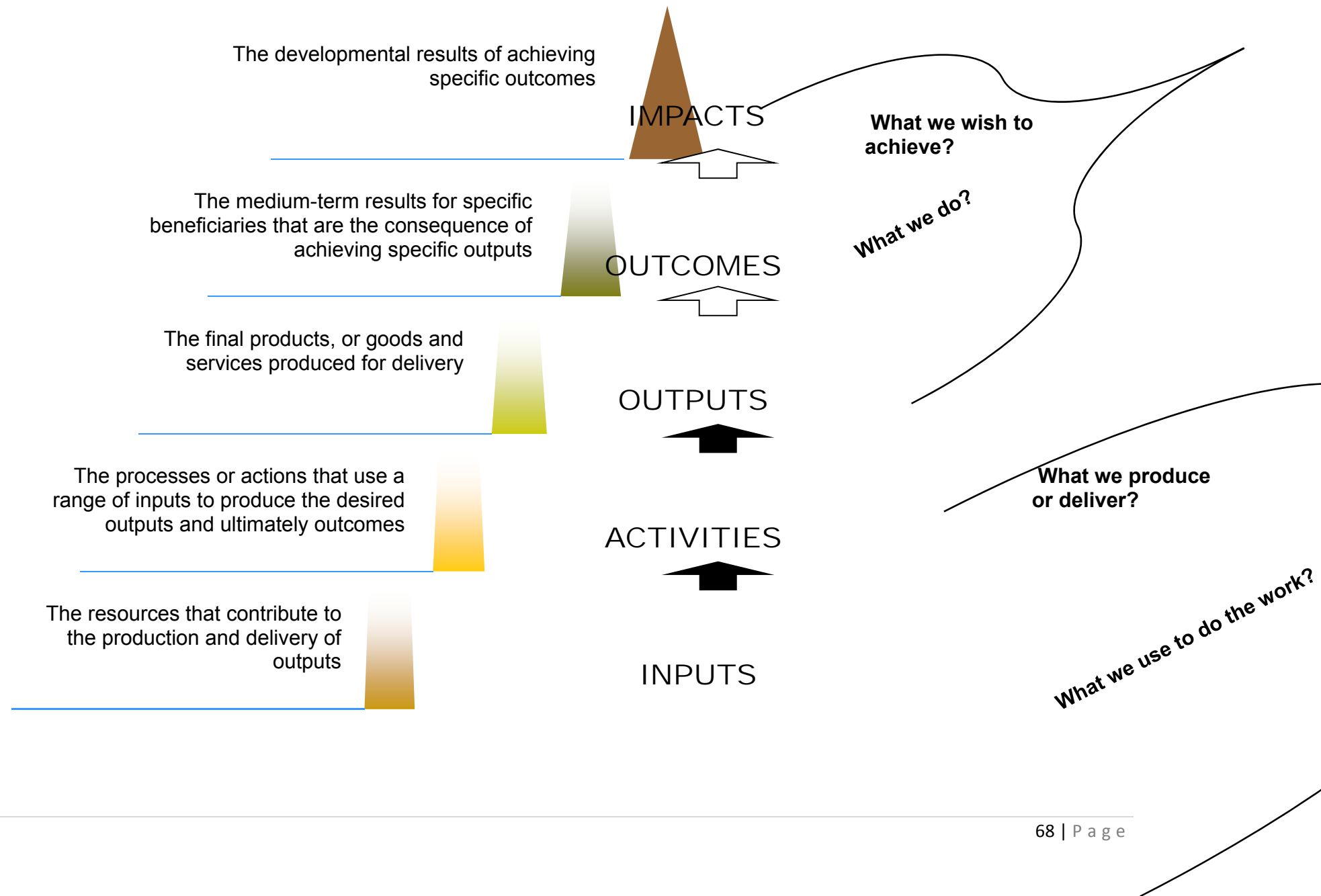
Figure 4 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
 - Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);

- Reporting (what information, to whom, from whom, how often and for what purpose); and
 - Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the ***Framework of Managing Programme Performance Information*** issued by the National Treasury:



The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 29 MBRR Table SA7 - Measurable performance objectives

NC078 Siyancuma - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 - 2016/17	Budget Year +2 - 2017/18
Good Governance & Public Participation										
Council and Administration										
Municipal Manager										
Administration	Daily administration	–	–	–	–	–	–	2 082	2 166	2 339
Council										
Council meeting	Number of meetings	86 693	107 335	5 059	5 558	8 153	8 153	6 404	6 717	7 301
Disaster Management	Number of asset	–	149	–	–	50	–	1 200	–	–
Management		–	–	1 553	1 222	1 124	1 124	1 243	1 305	1 398
Corporate										
Corporate Services										
Administration	Daily administration	–	–	14 013	8 958	18 870	18 870	16 334	17 077	18 270
	Number of asset	424	6 097	1 102	310	130	–	160	168	175
Community Services										
Basic community service	Availability of facilities	–	–	2 350	3 610	3 170	3 170	3 361	3 523	3 775
	Number of asset	–	274	207	400	400	–	910	–	–
Traffic										
Safe roads	Number of violations	–	–	–	–	–	–	3 358	3 526	3 659
Technical										
Basic Service 1										
Waste Water Management										
Basic sewerage provision to Siyancuma Residents	Number removals	–	–	6 906	17 588	9 918	9 918	10 694	11 233	12 016
New connections	Number new services	2 063	416	7 972	6 300	6 300	–	4 530	5 313	6 280
Waste Management										
Basic refuse provision to Siyancuma Residents	Number removals	–	–	2 571	13 036	12 418	12 418	14 029	14 680	15 708
New connections	Number new services	–	330	–	–	–	–	–	–	–
Public Works										
Basic access road provision to Siyancuma Residents	Number of good roads	–	–	10 780	24 402	15 786	15 786	13 763	13 402	14 340
New road	Number new services	4 410	8 596	10 295	8 023	8 273	–	9 687	9 970	10 693
Basic service 2										
Water Provision										
Basic water provision to Siyancuma Residents	Number of kl	–	–	5 332	24 279	9 287	9 287	9 853	10 348	11 068
New connections	Number new services	1 909	14 458	1 267	15 000	15 000	–	7 200	7 225	7 262
Electricity Provision										
Basic electricity provision to Siyancuma Residents	Number kwh	–	–	33 305	41 584	37 472	37 472	42 217	44 185	51 851
New connections	Number new services	2 658	1 146	1 431	1 500	1 500	–	3 774	2 393	1 420
Sub-function 3 - (name)										
Insert measure's description										
Budget and Treasury										
Financial Viability & Management										
BYO										
Insert measure's description	Complete Fin Cycle	–	–	22 671	5 855	31 887	31 887	36 036	37 779	40 398
	Number of asset	–	570	322	–	130	–	160	168	175
Properties										
Insert measure's description	Access to facilities	–	–	–	–	–	–	4 543	4 770	5 143
Resort										
Insert measure's description	Access to facilities	–	–	1 588	2 901	2 058	2 058	2 138	2 248	2 337
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure's description										
Sub-function 2 - (name)										
Insert measure's description										
Sub-function 3 - (name)										
Insert measure's description										
And so on for the rest of the Votes										

1.9.1 Performance indicators and benchmarks

1.9.1.1 Borrowing Management

- The municipality does not foresee any borrowing during the MTREF.

1.9.1.2 Safety of Capital

- Gearing: no borrowing will be undertaken.

1.9.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. For the 2015/16 MTREF the current ratio is 1.4:1 in the 2015/16 financial year.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to erase or redeem, its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1:1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

1.9.1.4 Revenue Management

- The revenue value chain must be enhanced to ensuring accurate billing, customer service, credit control and debt collection.

1.9.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

1.9.1.6 Other Indicators

- The electricity distribution losses increase from 33.85% in the 2014/15 financial year to 40.78 per cent over the MTREF. The initiatives to ensure these targets are decreasing the following measurements is in place achieved, managing illegal connections and theft of electricity by rolling out our own metering systems, including prepaid meters.
- The water distribution losses have decreased significantly from 45.94 per cent in 2012/13 to 15,57 per cent in 2015/16.

1.9.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2014/15 financial year 3527 registered indigents have been provided for in the budget with this figured increasing to 4000 by 2015/16. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of Electricity, sanitation and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

1.10 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

1.10.1 Review of credit control and debt collection procedures/policies

POLICIES	AMENDED	COMMENTS
Tariff Policy	Yes	
Free Basic Services Policy	Yes	
Credit control and debt Collection Policy	Yes	
Property rates Policy	Yes	
Supply Chain Management Policy	Yes	
Investment Policy	Yes	

1.11 Overview of budget assumptions

1.11.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

1.11.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
 - The impact of municipal cost drivers;
 - The increase in prices for bulk Electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 36 per cent of total operating expenditure in the 2015/16 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure

budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2010 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted. No agreement has been reached for the MTREF and a 8% increase for 2015/16 has been budgeted for

1.11.3 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

1.11.4 Salary increases

No collective agreement regarding salaries\wages has been concluded thus far. An eight per cent increase is budgeted for.

1.11.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

1.12 Overview of budget funding

1.12.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 30 Performance Indicators & Benchmarking

NC078 Siyancuma - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3,0%	5,3%	4,1%	0,7%	-0,4%	-0,4%	100,0%	0,8%	-0,3%	0,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6,3%	11,4%	6,7%	1,3%	-0,9%	-0,9%	0,0%	1,5%	-0,5%	0,3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	46,5%	21,9%	0,0%	0,0%	0,0%	0,0%	0,0%	131,4%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	1,2	0,9	1,2	1,2	1,2	1,2	—	2,8	1,7	2,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,2	0,9	1,2	1,2	1,2	1,2	—	2,8	1,7	2,2
Liquidity Ratio	Monetary Assets/Current Liabilities	0,8	0,2	0,2	0,8	0,8	0,8	—	0,1	0,0	0,0
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		105,6%	56,0%	93,8%	136,6%	140,0%	140,0%	0,0%	110,5%	98,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		105,6%	97,7%	93,8%	99,3%	98,4%	98,4%	0,0%	86,2%	86,6%	86,6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17,5%	20,5%	39,4%	9,0%	10,2%	10,2%	0,0%	35,3%	39,9%	61,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		113,7%	299,3%	193,8%	13,3%	73,9%	73,9%	0,0%	-33,9%	-30,4%	-23,1%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)		7199723	7942822					7000000	6000000	5000000
	Total Cost of Losses (Rand '000)		5 760	6 354					5 600	4 800	4 000
	% Volume (units purchased and generated less units sold)/units purchased and generated		0	0					0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)		96	66					60	45	40
	Total Cost of Losses (Rand '000)		77	53					48	36	32
	% Volume (units purchased and generated less units sold)/units purchased and generated		0	0					0	0	0
Employee costs	Employee costs/(Total Revenue - capital revenue)	38,0%	40,7%	36,3%	36,4%	37,3%	37,3%	0,0%	40,3%	41,0%	42,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44,7%	47,4%	43,3%	39,1%	40,4%	40,4%		42,7%	43,4%	44,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4,1%	5,1%	0,0%	5,8%	4,1%	0,0%		4,9%	5,0%	5,1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16,9%	15,5%	10,0%	10,6%	12,1%	12,1%	0,0%	10,9%	11,2%	11,4%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	8,5	14,0	41,5	142,6	142,6	142,6	—	(234,1)	200,1	214,0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	35,2%	38,7%	84,0%	16,1%	16,8%	16,8%	0,0%	58,4%	63,6%	94,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4,4	1,1	1,4	6,0	1,1	1,1	(1 305,9)	(2,6)	(7,3)	(11,5)

Table 31 Breakdown of the operating revenue over the medium-term

Revenue By Source											
Property rates	2	5 768	6 938	7 621	10 699	8 974	8 974	–	10 494	11 251	12 038
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	14 572	20 576	24 518	34 050	34 801	34 801	–	42 090	45 037	48 189
Service charges - water revenue	2	8 281	9 426	9 856	16 331	15 479	15 479	–	16 108	17 236	18 442
Service charges - sanitation revenue	2	4 483	5 096	4 139	6 545	6 592	6 592	–	6 284	6 724	7 194
Service charges - refuse revenue	2	3 718	4 302	3 475	6 224	5 683	5 683	–	6 172	6 604	7 067
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		249	416	485	1 195	363	363	–	461	492	526
Interest earned - external investments		975	875	307	260	–	–	–	620	260	260
Interest earned - outstanding debtors		473	561	630	629	1 249	1 249	–	629	400	430
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines		50	48	87	7 236	737	737	–	6 800	7 276	7 785
Licences and permits		6	13	914	450	450	450	–	450	482	515
Agency services		533	755	–	711	758	758	–	758	811	868
Transfers recognised - operational		34 004	38 250	42 691	50 143	42 343	42 343	–	43 928	42 270	41 769
Other revenue	2	1 339	873	11 920	509	724	724	–	438	460	493
Gains on disposal of PPE		25	–	137	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		74 476	88 130	106 779	134 982	118 153	118 153	–	135 233	139 302	145 577

Table 32 MBRR SA15 – Detail Investment Information

NC078 Siyancuma - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		R thousand								
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank			5 500			25 000	25 000	61	66	70
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	5 500	-	-	25 000	25 000	61	66	70
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	5 500	-	-	25 000	25 000	61	66	70

1.12.2 Medium-term outlook: capital revenue

Table 33 Sources of capital revenue over the MTREF

Funded by:											
National Government		6 630	24 491	13 203	30 823	24 523	24 523	-	23 587	18 670	18 393
Provincial Government		-	56	-	400	6 300	6 300	-	610	4 280	4 580
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	6 630	24 547	13 203	31 223	30 823	30 823	-	24 197	22 950	22 973
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6								1 800		
Internally generated funds		4 834	7 489	9 392	310	960	960	-	1 624	2 287	3 033
Total Capital Funding	7	11 464	32 036	22 595	31 533	31 783	31 783	-	27 621	25 237	26 005

Capital grants and receipts fund a major portion of capital expenditure.

Table 34 MBRR Table SA 17 - Detail of borrowings

NC078 Siyancuma - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		4 078	6 371	4 693	3 400	3 400	3 400	2 840	2 000	1 836
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	4 078	6 371	4 693	3 400	3 400	3 400	2 840	2 000	1 836
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	4 078	6 371	4 693	3 400	3 400	3 400	2 840	2 000	1 836
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 35 MBRR Table SA 18 - Capital transfers and grant receipts

NC078 Siyancuma - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		36 808	36 233	40 906	42 385	–	42 385	43 280	41 600	41 082
Local Government Equitable Share		31 614	31 121	36 736	38 021		38 021	39 475	38 633	37 704
Finance Management		1 450	1 500	1 650	1 800		1 800	1 875	2 010	2 345
Municipal Systems Improvement		790	800	890	934		934	930	957	1 033
Water Services Operating Subsidy		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme		2 308	–	–	–	–	–	–	–	–
EPWP Incentive		–	2 500	1 000	1 000	–	1 000	1 000	–	–
Other transfers/grants		646	312	630	630		630	–	–	–
Provincial Government:		–	–	–	–	–	–	648	670	687
Sport and Recreation		–	–	–	–	–	–	648	670	687
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other transfers/grants		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	36 808	36 233	40 906	42 385	–	42 385	43 928	42 270	41 769
Capital Transfers and Grants										
National Government:		16 910	21 113	25 275	13 523	13 523	13 523	19 587	18 670	18 393
Municipal Infrastructure Grant (MIG)		16 910	20 513	19 475	8 023	8 023	8 023	16 187	16 670	17 393
Rural Households Infrastructure		–	–	3 200	4 000	4 000	4 000	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Electrification Grant		–	600	2 600	1 500	1 500	1 500	3 400	2 000	1 000
Provincial Government:		–	–	–	–	–	–	4 610	4 890	5 260
ACIP & Sport and Recreation		–	–	–	–	–	–	4 610	4 890	5 260
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	16 910	21 113	25 275	13 523	13 523	13 523	24 197	23 560	23 653
TOTAL RECEIPTS OF TRANSFERS & GRANTS		53 718	57 346	66 181	55 908	13 523	55 908	68 125	65 830	65 422

1.12.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue.

Table 36 MBRR Table A7 - Budget cash flow statement

NC078 Siyancuma - Table A7 Budgeted Cash Flows

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		41 692	47 864	59 718	83 951	74 561	74 561	28 212	9 781	10 639	11 384
Service charges									59 487	63 651	68 106
Other revenue									8 907	9 521	10 187
Government - operating	1	34 004	38 250	42 691	48 643	10 560	10 560	14 718	43 280	41 600	41 082
Government - capital	1	7 122	27 022	24 192	24 523	31 783	31 783	10 098	32 295	22 950	22 973
Interest		1 447	1 436	937	889	1 249	1 249	579	1 249	660	690
Dividends									-	-	-
Payments											
Suppliers and employees		(63 941)	(80 131)	(97 003)	(115 437)	(114 401)	(114 401)	(60 522)	(154 154)	(160 997)	(162 821)
Finance charges		(1 527)	(2 083)	(1 674)	(414)	(14 307)	(14 307)	(136)	(11 159)	(11 716)	(12 302)
Transfers and Grants	1	(14)	(1 488)	(2 546)	(18 083)	(11 818)	(11 818)	(3 301)	(14 742)	(14 267)	(15 478)
NET CASH FROM/(USED) OPERATING ACTIVITIES		18 783	30 871	26 315	24 072	(22 373)	(22 373)	(10 350)	(25 056)	(37 959)	(36 179)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		104	1 751	331					-	-	-
Decrease (Increase) in non-current debtors			(20 402)		31 585	31 585	31 585		22 000	11 000	7 000
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(9 394)	(27 242)	(21 715)				(13 214)	(35 719)	(25 237)	(26 005)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9 291)	(45 894)	(21 384)	31 585	31 585	31 585	(13 214)	(13 719)	(14 237)	(19 005)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing		2 247	1 638						4 500	-	-
Increase (decrease) in consumer deposits		(9)	12	(23)					19	22	25
Payments											
Repayment of borrowing		(1 036)	(3 299)	(2 635)	(654)	654	654		(900)	1 050	205
NET CASH FROM/(USED) FINANCING ACTIVITIES		1 201	(1 649)	(2 658)	(654)	654	654	-	3 619	1 072	230
NET INCREASE/ (DECREASE) IN CASH HELD		10 694	(16 672)	2 273	55 003	9 866	9 866	(23 565)	(35 155)	(51 124)	(54 954)
Cash/cash equivalents at the year begin:	2	13 164	23 858	7 186					9 866	(25 289)	(76 412)
Cash/cash equivalents at the year end:	2	23 858	7 186	9 458	55 003	9 866	9 866	(23 565)	(25 289)	(76 412)	(131 366)

1.12.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
 - How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 37 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

NC078 Siyancuma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	23 858	7 186	9 458	55 003	9 866	9 866	(23 565)	(25 289)	(76 412)	(131 366)
Other current investments > 90 days		0	0	-	(30 003)	15 134	15 134	23 565	26 650	77 915	133 024
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		23 858	7 186	9 458	25 000	25 000	25 000	-	1 361	1 502	1 658
Application of cash and investments											
Unspent conditional transfers		-	-	17 106	22 541	22 541	22 541	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	13 327	3 831	(21 147)	(4 701)	(4 592)	(4 592)	-	(32 516)	(24 914)	(46 522)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		13 327	3 831	(4 041)	17 840	17 949	17 949	-	(32 516)	(24 914)	(46 522)
Surplus(shortfall)		10 531	3 355	13 500	7 160	7 051	7 051	-	33 878	26 416	48 180

1.12.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 38 MBRR Table A10 – Funding Measurements

NC078 Siyancuma Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12				2012/13				2013/14				Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Forecasts				
			Audited Outcome		Audited Outcome		Audited Outcome		Original Budget		Adjusted Budget		Full Year Forecast		Pre-audit outcome		Budget Year 2015/16		Budget Year +1 2016/17		Budget Year +2 2017/18		
Funding measures																							
Cash/Cash equivalents at the year end - R000	18(1)b	1	23 858		7 186		9 458		55 003		9 866		9 866		9 866		(23 965)		(25 289)		(76 412)		(131 368)
Cash + investments at the y end less applications - R000	18(1)b	2	10 531		3 355		13 500		7 160		7 051		7 051		7 051		38 878		38 416		38 416		38 416
Cash and investments at the y end less applications - R000	18(1)b	3									6,0		1,1		1,1		(1 305,9)		(2,6)		(7,3)		(11,5)
Surplus/(Deficit) excluding depreciation offsets - R000	18(1)c	4	3 424		7 924		24 841		9 014		(207)		(207)		(207)		52 730		2 083		(10 118)		(20 372)
Debt/cash change rev % change - macro CPI% target exclusive	18(1)a(2)	5	N.A.		19,8%		1,1%		42,9%		(9,1%)		(9,0%)		(10,0%)		7,4%		7,4%		1,0%		1,0%
Cash receipts % of Rating Payer & Other revenue	18(1)a(2)	6	105,6%		97,7%		93,6%		98,3%		98,0%		98,0%		98,0%		0,0%		0,0%		88,2%		88,2%
Debt impairment expense as a % of total liability revenue	18(1)a(2)	7	22,1%		24,1%		0,2%		15,1%		15,6%		15,6%		15,6%		0,0%		0,0%		13,5%		13,5%
Capital payments % of capital expenditure	18(1)c(1)	8	81,9%		95,1%		95,1%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		100,0%		100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	46,5%		21,9%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		131,4%		0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10															0,0%		0,0%		119,5%		107,0%
Current consumer debtors % change - in(declor)	18(1)a	11	N.A.		38,5%		132,5%		(71,3%)		0,0%		0,0%		0,0%		(100,0%)		284,0%		16,5%		69,7%
Long term receivables % change - in(declor)	18(1)a	12			0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%
RAM % of Property Plant & Equipment	20(1)(v)	13	1,1%		1,9%		0,0%		2,3%		1,5%		1,5%		1,5%		0,0%		1,9%		1,9%		2,0%
Asset renewal % of capital budget	20(1)(v)	14	100,0%		101,6%		100,0%		100,0%		100,0%		100,0%		100,0%		0,0%		90,1%		90,9%		88,3%
References																							
1. Positive cash balances indicative of minimum compliance - subject to 2																							
2. Deficit cash and investment applications (deducted from cash balances)																							
3. Indicative of sufficient liquidity to meet average monthly operating payments																							
4. Indicative of funded operational requirements																							
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)																							
6. Realistic average cash collection forecasts as % of annual cash payments																							
7. Realistic average increase in debt impairment (doubtful debt) provision																							
8. Indicative of average capital expenditure as a % of cash payment timing																							
9. Indicative of compliance with borrowing rules for the capital budget - should not exceed 100% unless refinancing																							
10. Substantive evidence of realistic current average allocations included in the current average allocations																							
11. Indicative of realistic current average debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)																							
12. Indicative of realistic current average debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)																							
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection																							
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as a % of total capital projects - detailed capital plan) - functioning assets revenue protection																							
Supporting indicators																							
% inc Property Tax	18(1)a		25,8%		25,8%		48,9%		48,9%		(3,1%)		0,0%		(100,0%)		13,4%		7,0%		7,0%		7,0%
% incor Property Tax	18(1)a		20,3%		9,8%		40,4%		40,4%		(10,1%)		0,0%		(100,0%)		16,9%		7,2%		7,0%		7,0%
% incor Service charges - electricity revenue	18(1)a		28,0%		28,0%		66,7%		66,7%		0,0%		0,0%		(100,0%)		0,0%		0,0%		0,0%		0,0%
% incor Service charges - water revenue	18(1)a		13,8%		14,0%		65,7%		65,7%		(2,2%)		0,0%		(100,0%)		4,1%		7,0%		7,0%		7,0%
% incor Service charges - sanitation revenue	18(1)a		13,7%		13,7%		59,1%		59,1%		0,0%		0,0%		(100,0%)		8,5%		7,0%		7,0%		7,0%
% incor Service charges - refuse revenue	18(1)a		15,7%		(10,5%)		79,1%		79,1%		(8,2%)		0,0%		(100,0%)		(4,7%)		0,0%		0,0%		0,0%
% incor in Service charges - other	18(1)a						0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%
Total liability revenue	18(1)a		36 822		46 339		49 609		73 649		71 529		71 529		71 529		—		93 149		89 851		92 930
Service charges - electricity revenue	18(1)a		36 822		46 339		49 609		73 649		71 529		71 529		71 529		81 149		86 851		92 930		92 930
Service charges - water revenue	18(1)a		5 768		6 938		7 621		10 699		8 974		8 974		12 038		10 830		11 600		12 578		13 500
Service charges - electricity revenue	18(1)a		14 572		20 576		24 518		34 050		34 501		34 501		34 801		42 090		45 037		48 189		51 648
Service charges - water revenue	18(1)a		8 281		9 436		10 369		14 572		12 479		12 479		15 442		16 108		17 371		18 588		19 805
Service charges - sanitation revenue	18(1)a		4 483		5 096		4 139		5 645		5 652		5 652		6 652		6 264		6 704		7 184		7 604
Service charges - refuse revenue	18(1)a		3 718		3 502		3 475		3 224		3 683		3 683		4 172		4 000		4 548		5 004		5 454
Service charges - other	18(1)a																						
Total facilities and equipment	18(1)a		249		416		485		1 195		363		363		492		526		492		526		564
Capital expenditure excluding capital grant funding	18(1)a		4 834		7 489		9 392		310		960		960		960		—		1 624		2 287		3 033
Cash receipts from ratepayers	18(1)a		41 692		47 864		59 718		83 951		74 561		74 561		74 561		28 212		38 424		48 811		59 678
Ratepayer & Other revenue	18(1)a		39 472		49 005		63 644		84 679		75 810		75 810		75 810		(42 068)		50 585		66 772		83 448
Change in consumer debtors (current and non-current)	18(1)a		19 192		19 192		23 974		23 974		(29 988)		(29 988)		(29 988)		18 108		18 108		18 108		18 108
Operating and Capital Grant Revenue	18(1)a		41 126		65 273		66 882		73 166		74 126		74 126		74 126		51 071		76 833		65 830		68 422
Capital expenditure - total	20(1)(v)		11 464		22 036		22 595		31 533		31 783		31 783		31 783		27 621		27 621		25 237		26 005
Capital expenditure - renewal	20(1)(v)		11 464		32 559		28 695		31 533		31 783		31 783		31 783		27 621		27 621		22 950		22 973
Supporting benchmarks																							
Growth guideline maximum			6,0%		6,0%		6,0%		6,0%		6,0%		6,0%		6,0%		6,0%		6,0%		6,0%		6,0%
CPI guideline			4,3%		3,9%		4,6%		5,0%		5,0%		5,0%		5,0%		5,0%		5,4%		5,6%		5,4%
DoRA operating grants total MFY																	43 280		41 600		41 082		41 082
DoRA capital grants total MFY																	19 587		18 670		18 303		18 303
Provincial operating grants																	10 617		10 617		10 617		10 617
Provincial capital grants																	5 618		5 618		5 618		5 618
District Municipality grants																	—		—		—		—
Total gazetted/advised national, provincial and district grants																	64 125		61 550		60 842		60 842
Average annual collection rate (cents inclusive)																	39 475		36 833		37 745		37 745
Equitable Share																	1 876		2 010		2 345		2 345
MBIC																	39 475		36 833		37 745		37 745
EPWP																	1 876		2 010		2 345		2 345
DoRA capital																	43 280		41 600		41 082		41 082
MBIC																	16 187		16 187		16 187		16 187
INEP																	3 400		3 400		3 400		3 400
																	19 587		18 670		18 303		18 303
Trend																							
Change in consumer debtors (current and non-current)			19 192		5 027		23 974		(42 068)		35 590		7 688		33 171		—		—		—		—
Total Operating Revenue																							
Total Operating Revenue			74 476		88 130		106 779		134 982		118 153		118 153		118 153		—		135 233		139 302		145 577
Total Operating Expenditure																							
Total Operating Expenditure			86 693		107 335		106 129		148 992		150 143		150 143		150 143		217		166 055		172 980		189 601
Operating Performance Surplus/(Deficit)																							
Operating Performance Surplus/(Deficit)			(12 218)		(19 205)		(550)		(14 009)		(31 990)		(31 990)		(31 990)		(217)		(30 822)		(33 678)		(44 024)
Cash and Cash Equivalents (30 June 2012)																							
Cash and Cash Equivalents (30 June 2012)																							
Revenue																							
% Increase in Total Operating Revenue			18,3%		21,2%		26,4%		(12,0%)		0,0%		(100,0%)		0,0%		14,5%		3,0%		4,0%		7,5%
% Increase in Property Rates Revenue			20,3%		9,8%		40,4%		(10,1%)		0,0%		(100,0%)		0,0%		16,9%		7,2%		7,0%		7,0%
% Increase in Electricity Revenue			41,2%		19,2%		38,9%		2,2%		0,0%		(100,0%)		0,0%		20,9%		7,0%		7,0%		7,0%
% Increase in Property Rates & Services Charges			20,3%		21,3%		26,4%		(12,0%)		0,0%		(100,0%)		0,0%		14,5%		3,0%		4,0%		7,5%
Expenditure																							
% Increase in Total Operating Expenditure			23,8%		(1,1%)		40,4%		0,8%		0,0%		(99,9%)		0,0%		10,6%		4,2%		9,6%		6,5%
% Increase in Employee Costs			26,9%		7,8%		26,9%		(10,2%)		0,0%		(100,0%)		0,0%		23,6%		4,7%		7,0%		7,0%
% Increase in Electricity Bulk Purchases			11,4%		0,0%		23,0%		(7,5%)		0,0%		(100,0%)		0,0%		0,0%		0,0%		20,0%		20,0%
Average Cost Per Budgeted Employee Position (Remuneration)					0		0		0		0		0		0		0		0		0		0
Average Cost Per Councilor (Remuneration)					0		0		0		0		0		0		0		0		0		0
RAM % of PPE			1,1%		1,8%		0,0%		2,3%		1,5%		1,5%		1,5%		1,9%		1,9%		2,0%		2,0%
Asset Renewal and RAM as a % of PPE			1,1%		1,8%		0,0%		2,3%		1,5%		1,5%		1,5%		1,9%		1,9%		2,0%		2,0%
Debt Impairment % of Total Liability Revenue			22,1%		24,1%		0,2%		15,1%		15,6%		15,6%		15,6%		0,0%		13,8%		13,5%		13,5%
Capital Revenue																							
Internally Funded & Other (R000)			4 834		7 489		9 392		310		960		960		960								

1.12.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The municipality show a positive cash equivalent position for the MTREF period

1.12.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.12.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

1.12.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the

amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2015/16 MTREF the indicative outcome is a surplus of R33 thousand after the non-cash items is deducted.

1.12.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth.

1.12.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

1.12.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Adequate provision has been appropriated the MTREF period.

1.12.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

1.12.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

1.12.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

1.12.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor accounts within 30 days.

1.12.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C

1.12.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

Expenditure on grants and reconciliations of unspent funds

Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

NC078 Siyancuma - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		36 505	33 857	40 906	42 385	42 385	42 385	43 280	41 600	41 082
Local Government Equitable Share		31 614	31 121	36 736	38 021	38 021	38 021	39 475	38 633	37 704
Finance Management		1 417	1 500	1 650	1 800	1 800	1 800	1 875	2 010	2 345
Municipal Systems Improvement		790	790	890	934	934	934	930	957	1 033
Water Services Operating Subsidy		—	—	—	—	—	—	—	—	—
Integrated National Electrification Programme		2 308	—	—	—	—	—	—	—	—
EPWP Incentive		—	—	1 000	1 000	1 000	1 000	1 000	—	—
Other transfers/grants		376	446	630	630	630	630	—	—	—
Provincial Government:		—	—	—	—	—	—	648	670	687
Sport and Recreation		—	—	—	—	—	—	648	670	687
—		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Other transfers/grants		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		36 505	33 857	40 906	42 385	42 385	42 385	43 928	42 270	41 769
Capital expenditure of Transfers and Grants										
National Government:		16 910	21 113	25 275	13 523	13 523	13 523	39 062	18 670	18 393
Municipal Infrastructure Grant (MIG)		16 910	20 513	19 475	8 023	8 023	8 023	35 662	16 670	17 393
Rural Households Infrastructure		—	—	3 200	4 000	4 000	4 000	—	—	—
—		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Electrification Grant		—	600	2 600	1 500	1 500	1 500	3 400	2 000	1 000
Provincial Government:		—	—	—	—	—	—	4 610	4 890	5 260
ACIP & Sport and Recreation		—	—	—	—	—	—	4 610	4 890	5 260
District Municipality:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—	—
—		—	—	—	—	—	—	—	—	—
Total capital expenditure of Transfers and Grants		16 910	21 113	25 275	13 523	13 523	13 523	43 672	23 560	23 653
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		53 415	54 970	66 181	55 908	55 908	55 908	87 600	65 830	65 422

Table 40 MBRR SA 20 - Reconciliation between of transfers, grants

NC078 Siyancuma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		34 004	38 250	42 691	—	—	—	—	—	—
Current year receipts		—	—	—	50 143	42 343	42 343	43 280	41 600	41 082
Conditions met - transferred to revenue		34 004	38 250	42 691	50 143	42 343	42 343	43 280	41 600	41 082
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Provincial Government:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	648	670	687
Conditions met - transferred to revenue		—	—	—	—	—	—	648	670	687
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
District Municipality:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Other grant providers:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Total operating transfers and grants revenue		34 004	38 250	42 691	50 143	42 343	42 343	43 928	42 270	41 769
Total operating transfers and grants - CTBM	2	—	—	—	—	—	—	—	—	—
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		6 630	24 491	13 203	30 823	24 523	24 523	23 587	22 340	22 293
Conditions met - transferred to revenue		6 630	24 491	13 203	30 823	24 523	24 523	23 587	22 340	22 293
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Provincial Government:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	56	—	400	6 300	6 300	610	610	680
Conditions met - transferred to revenue		—	56	—	400	6 300	6 300	610	610	680
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
District Municipality:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Other grant providers:										
Balance unspent at beginning of the year		—	—	—	—	—	—	—	—	—
Current year receipts		—	—	—	—	—	—	—	—	—
Conditions met - transferred to revenue		—	—	—	—	—	—	—	—	—
Conditions still to be met - transferred to liabilities		—	—	—	—	—	—	—	—	—
Total capital transfers and grants revenue		6 630	24 547	13 203	31 223	30 823	30 823	24 197	22 950	22 973
Total capital transfers and grants - CTBM	2	—	—	—	—	—	—	—	—	—
TOTAL TRANSFERS AND GRANTS REVENUE		40 634	62 797	55 894	81 366	73 166	73 166	68 125	65 220	64 742
TOTAL TRANSFERS AND GRANTS - CTBM		—	—	—	—	—	—	—	—	—

1.13 Councillor and employee benefits

Table 41 MBRR SA22 - Summary of councillor and staff benefits

NC078 Siyancuma - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		1 638	2 074	2 886	3 200	3 200	3 200	2 892	3 037	3 249
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance		552	832	—	—	—	—	—	—	—
Cellphone Allowance		132	159	202	371	371	371	230	241	258
Housing Allowances		—	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	100	—	—	—	40	42	44
Sub Total - Councillors		2 322	3 066	3 187	3 571	3 571	3 571	3 161	3 319	3 552
% Increase	4		32,0%	4,0%	12,0%	—	—	(11,5%)	5,0%	7,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		1 737	1 926	2 070	3 044	3 044	3 044	2 602	2 725	2 915
Pension and UIF Contributions		244	243	414	158	158	158	444	465	497
Medical Aid Contributions		—	—	—	46	46	46	137	144	154
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		30	—	—	60	60	60	—	—	—
Motor Vehicle Allowance	3	445	471	368	229	229	229	439	459	492
Cellphone Allowance	3	19	21	21	25	25	25	31	33	36
Housing Allowances	3	47	27	36	18	18	18	36	38	40
Other benefits and allowances	3	36	—	42	57	57	57	40	42	45
Payments in lieu of leave		—	86	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		2 557	2 770	2 951	3 636	3 636	3 636	3 730	3 905	4 178
% Increase	4		8,3%	6,5%	23,2%	—	—	2,6%	4,7%	7,0%
Other Municipal Staff	4									
Basic Salaries and Wages		17 807	23 381	27 940	31 460	24 360	24 360	30 550	32 085	34 332
Pension and UIF Contributions		3 627	4 600	5 559	6 201	5 166	5 166	6 822	7 147	7 647
Medical Aid Contributions		—	—	2 004	2 139	1 616	1 616	2 274	2 388	2 555
Overtime		1 090	1 632	1 146	1 605	2 668	2 668	2 703	2 838	3 037
Performance Bonus		1 027	1 358	—	—	(60)	(60)	—	—	—
Motor Vehicle Allowance	3	1 996	2 291	2 107	2 510	1 958	1 958	2 241	2 354	2 519
Cellphone Allowance	3	367	363	378	96	78	78	126	132	142
Housing Allowances	3	—	—	—	382	285	285	368	368	413
Other benefits and allowances	3	882	525	592	652	3 488	3 488	5 731	5 846	6 255
Payments in lieu of leave	3	1 053	1 240	304	405	481	481	—	—	—
Long service awards		124	138	—	114	451	451	—	—	—
Post-retirement benefit obligations	6	321	377	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		28 375	35 907	40 098	45 565	40 491	40 491	50 814	53 178	56 900
% Increase	4		26,5%	11,7%	13,6%	(11,1%)	—	25,5%	4,6%	7,0%
Total Parent Municipality		33 254	41 743	46 236	52 772	47 698	47 698	57 705	60 401	64 630
% Increase			25,5%	10,8%	14,1%	(9,6%)	—	21,0%	4,7%	7,0%
Board Members of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	—	—	—
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	—	—	—	—	—	—	—	—	—
Board Fees	3	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Board Members of Entities		—	—	—	—	—	—	—	—	—
% Increase	4		—	—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	—	—	—
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities		—	—	—	—	—	—	—	—	—
% Increase	4		—	—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages		—	—	—	—	—	—	—	—	—
Pension and UIF Contributions		—	—	—	—	—	—	—	—	—
Medical Aid Contributions		—	—	—	—	—	—	—	—	—
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		—	—	—	—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—	—	—	—	—	—	—	—
Cellphone Allowance	3	—	—	—	—	—	—	—	—	—
Housing Allowances	3	—	—	—	—	—	—	—	—	—
Other benefits and allowances	3	—	—	—	—	—	—	—	—	—
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities		—	—	—	—	—	—	—	—	—
% Increase	4		—	—	—	—	—	—	—	—
Total Municipal Entities		33 254	41 743	46 236	52 772	47 698	47 698	57 705	60 401	64 630
TOTAL SALARY, ALLOWANCES & BENEFITS	4	33 254	41 743	46 236	52 772	47 698	47 698	57 705	60 401	64 630
% Increase	5,7		25,5%	10,8%	14,1%	(9,6%)	—	21,0%	4,7%	7,0%
TOTAL MANAGERS AND STAFF		30 932	38 677	43 049	49 201	44 127	44 127	54 543	57 081	61 078

Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

[illegible]

Table 43 MBRR SA24 – Summary of personnel numbers

NC078 Siyancuma - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2013/14			Current Year 2014/15			Budget Year 2015/16		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			11	–	–	11	–	–	11	–	–
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees											
Municipal Manager and Senior Managers	5		–	–	–	–	–	–	–	–	–
Other Managers	3		4	1	3	4	1	3	4	–	4
Professionals	7		–	–	–	–	–	–	9	9	–
Finance			39	39	–	45	45	–	–	–	–
Spatial/town planning			34	34	–	40	40	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			5	5	–	5	5	–	–	–	–
Technicians			119	118	1	123	122	1	6	6	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			10	9	1	10	9	1	1	1	–
Electricity			8	8	–	8	8	–	2	2	–
Water			13	13	–	15	15	–	2	2	–
Sanitation			22	22	–	22	22	–	1	1	–
Refuse			13	13	–	15	15	–	–	–	–
Other			53	53	–	53	53	–	–	–	–
Clerks (Clerical and administrative)			–	–	–	–	–	–	103	103	–
Service and sales workers			–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			–	–	–	–	–	–	29	29	–
Elementary Occupations			–	–	–	–	–	–	105	105	–
TOTAL PERSONNEL NUMBERS	9		173	158	4	183	168	4	267	252	4
% increase						5,8%	6,3%	–	45,9%	50,0%	–
Total municipal employees headcount	6, 10								93	90	3
Finance personnel headcount	8, 10								58	57	1
Human Resources personnel headcount	8, 10								2	2	–

NC078 Siyancuma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2015/16											Medium Term Revenue and Expenditure Framework			
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source																	
Property rates			370	6 500	370	370	370	370	370	370	370	370	370	294	10 494	11 251	12 038
Property rates - penalties & collection charges			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			4 500	4 500	3 500	3 500	3 500	3 500	3 000	3 000	3 000	3 000	3 000	4 090	42 090	45 037	48 189
Service charges - water revenue			1 000	1 000	1 200	1 400	1 600	1 600	1 600	1 500	1 500	1 200	1 300	1 208	16 108	17 236	18 442
Service charges - sanitation revenue			524	524	524	524	524	524	524	524	524	524	524	524	6 284	6 724	7 194
Service charges - refuse revenue			514	514	514	514	514	514	514	514	514	514	514	514	6 172	6 604	7 067
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			38	38	38	38	38	38	38	38	38	38	38	38	461	492	526
Interest earned - external investments			38	38	38	38	38	38	38	38	38	38	38	197	620	260	260
Interest earned - outstanding debtors			52	52	52	52	52	52	52	52	52	52	52	61	629	400	430
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			567	567	567	567	567	567	567	567	567	567	567	567	6 800	7 276	7 785
Licences and permits			38	38	38	38	38	38	38	38	38	38	38	38	450	482	515
Agency services			63	63	63	63	63	63	63	63	63	63	63	63	758	811	868
Transfers recognised - operational			3 661	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	4 201	43 928	42 270	41 769
Other revenue			36	36	36	36	36	36	36	36	36	36	36	36	438	460	493
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			11 401	17 477	10 547	10 747	10 947	10 947	10 447	10 347	10 347	10 047	10 147	11 831	135 233	139 302	145 577
Expenditure By Type																	
Employee related costs			4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	54 543	57 081	61 078
Remuneration of councillors			263	263	263	263	263	263	263	263	263	263	263	263	3 161	3 319	3 552
Debt impairment			930	930	930	930	930	930	930	930	930	930	930	930	11 159	11 716	12 302
Depreciation & asset impairment			1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	1 192	14 307	15 022	16 074
Finance charges			39	39	39	39	39	39	39	39	39	39	39	39	467	520	538
Bulk purchases			2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	33 995	35 695	42 766
Other materials			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services			150	150	150	150	150	150	150	150	150	150	150	150	1 800	1 890	2 022
Transfers and grants			1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	12 942	12 377	13 456
Other expenditure			2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	33 680	35 360	37 813
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	166 055	172 980	189 601
Surplus/(Deficit)																	
Transfers recognised - capital			(2 437)	3 639	(3 291)	(3 091)	(2 891)	(2 891)	(3 391)	(3 491)	(3 491)	(3 791)	(3 691)	(2 007)	(30 822)	(33 678)	(44 024)
Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions																	
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		1	305	6 330	(600)	(400)	(200)	(200)	(700)	(800)	(800)	(1 100)	(1 000)	1 244	2 083	(10 118)	(20 372)

March 2015

NC078 Siyancuma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2015/16											Medium Term Revenue and Expenditure Framework			
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																	
Vote 1 - MUNICIPAL MANAGER														-	-	-	-
Vote 2 - COUNCIL			178	178	178	178	178	178	178	178	178	178	178	178	2 133	2 230	2 329
Vote 3 - CORPORATE AND HUMAN RESOURCES			18	18	18	18	18	18	18	18	18	18	18	18	217	232	248
Vote 4 - FINANCE			3 684	3 611	3 611	3 611	3 611	3 611	3 611	3 611	3 611	3 611	3 611	4 421	44 213	43 000	42 618
Vote 5 - PROPERTIES			28	28	28	28	28	28	28	28	28	28	28	28	335	357	381
Vote 6 - LIBRARIES			0	0	0	0	0	0	0	0	0	0	0	0	0	-	-
Vote 7 - CEMETARY			3	3	3	3	3	3	3	3	3	3	3	3	41	35	38
Vote 8 - PARKS AND RECREATION			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - DISASTER MANAGEMENT			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT			753	753	753	753	753	753	753	753	753	753	753	753	9 031	9 663	10 340
Vote 11 - PUBLIC WORKS			1 466	1 466	1 466	1 466	1 466	1 466	1 466	1 466	1 466	1 466	1 466	1 466	17 587	9 970	10 693
Vote 12 - ELECTRICITY			4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	48 742	48 795	51 071
Vote 13 - WATER			2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	23 998	25 209	26 505
Vote 14 - WASTE WATER MANAGEMENT			1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	13 881	14 853	15 892
Vote 15 - TRAFFIC			663	663	663	663	663	663	663	663	663	663	663	663	7 961	8 518	9 115
Total Revenue by Vote			14 011	13 938	13 938	13 938	13 938	13 938	13 938	13 938	13 938	13 938	13 938	14 748	168 138	162 862	169 229
Expenditure by Vote to be appropriated																	
Vote 1 - MUNICIPAL MANAGER			173	173	173	173	173	173	173	173	173	173	173	173	2 082	2 186	2 339
Vote 2 - COUNCIL			534	534	534	534	534	534	534	534	534	534	534	534	6 404	6 717	7 301
Vote 3 - CORPORATE AND HUMAN RESOURCES			1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	1 361	16 334	17 077	18 270
Vote 4 - FINANCE			3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	36 036	37 779	40 398
Vote 5 - PROPERTIES			379	379	379	379	379	379	379	379	379	379	379	379	4 543	4 770	5 143
Vote 6 - LIBRARIES			208	208	208	208	208	208	208	208	208	208	208	208	2 496	2 616	2 805
Vote 7 - CEMETARY			72	72	72	72	72	72	72	72	72	72	72	72	864	907	971
Vote 8 - PARKS AND RECREATION			178	178	178	178	178	178	178	178	178	178	178	178	2 138	2 248	2 337
Vote 9 - DISASTER MANAGEMENT			104	104	104	104	104	104	104	104	104	104	104	104	1 243	1 305	1 398
Vote 10 - WASTE MANAGEMENT			1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	14 029	14 680	15 708
Vote 11 - PUBLIC WORKS			1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	1 147	13 763	13 402	14 340
Vote 12 - ELECTRICITY			3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	42 217	44 185	51 851
Vote 13 - WATER			821	821	821	821	821	821	821	821	821	821	821	821	9 853	10 348	11 068
Vote 14 - WASTE WATER MANAGEMENT			891	891	891	891	891	891	891	891	891	891	891	891	10 694	11 233	12 016
Vote 15 - TRAFFIC			280	280	280	280	280	280	280	280	280	280	280	280	3 358	3 526	3 659
Total Expenditure by Vote			13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	166 055	172 980	189 601
Surplus/(Deficit) before assoc.			174	100	100	100	100	100	100	100	100	100	100	910	2 083	(10 118)	(20 372)
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	174	100	100	100	100	100	100	100	100	100	910	2 083	(10 118)	(20 372)

NC078 Siyancuma - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description		Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																	
Governance and administration			3 908	3 834	3 834	3 834	3 834	3 834	3 834	3 834	3 834	3 834	3 834	4 645	46 897	45 819	45 576
Executive and council			178	178	178	178	178	178	178	178	178	178	178	178	2 133	2 230	2 329
Budget and treasury office			3 684	3 611	3 611	3 611	3 611	3 611	3 611	3 611	3 611	3 611	3 611	4 421	44 213	43 000	42 618
Corporate services			46	46	46	46	46	46	46	46	46	46	46	46	552	589	628
Community and public safety			3	3	3	3	3	3	3	3	3	3	3	3	41	35	38
Community and social services			3	3	3	3	3	3	3	3	3	3	3	3	41	35	38
Sport and recreation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services			2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	25 548	18 488	19 808
Planning and development			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport			2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	2 129	25 548	18 488	19 808
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			7 971	7 971	7 971	7 971	7 971	7 971	7 971	7 971	7 971	7 971	7 971	7 971	95 652	98 520	103 807
Electricity			4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	4 062	48 742	48 795	51 071
Water			2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	23 998	25 209	26 505
Waste water management			1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	13 881	14 853	15 892
Waste management			753	753	753	753	753	753	753	753	753	753	753	753	9 031	9 663	10 340
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard			14 011	13 938	13 938	13 938	13 938	13 938	13 938	13 938	13 938	13 938	13 938	14 748	168 138	162 862	169 229
Expenditure - Standard																	
Governance and administration			5 450	5 450	5 450	5 450	5 450	5 450	5 450	5 450	5 450	5 450	5 450	5 450	65 399	68 529	73 450
Executive and council			707	707	707	707	707	707	707	707	707	707	707	707	8 486	8 903	9 640
Budget and treasury office			3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	3 003	36 036	37 779	40 398
Corporate services			1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	1 740	20 877	21 847	23 413
Community and public safety			562	562	562	562	562	562	562	562	562	562	562	562	6 742	7 077	7 510
Community and social services			280 043,10	280	280	280	280	280	280	280	280	280	280	280	3 361	3 523	3 775
Sport and recreation			178	178	178	178	178	178	178	178	178	178	178	178	2 138	2 248	2 337
Public safety			59	59	59	59	59	59	59	59	59	59	59	59	710	746	798
Housing			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health			44	44	44	44	44	44	44	44	44	44	44	44	533	560	600
Economic and environmental services			1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	17 121	16 927	17 999
Planning and development			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport			1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	17 121	16 927	17 999
Environmental protection			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services			6 399	6 399	6 399	6 399	6 399	6 399	6 399	6 399	6 399	6 399	6 399	6 399	76 793	80 447	90 643
Electricity			3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	42 217	44 185	51 851
Water			821	821	821	821	821	821	821	821	821	821	821	821	9 853	10 348	11 068
Waste water management			891	891	891	891	891	891	891	891	891	891	891	891	10 694	11 233	12 016
Waste management			1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	1 169	14 029	14 680	15 708
Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard			13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	13 838	166 055	172 980	189 601
Surplus/(Deficit) before assoc.			174	100	100	100	100	100	100	100	100	100	100	910	2 083	(10 118)	(20 372)
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			1	174	100	100	100	100	100	100	100	100	100	910	2 083	(10 118)	(20 372)

NC078 Siyancuma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - FINANCE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - LIBRARIES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - CEMETARY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - ELECTRICITY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - WATER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - WASTE WATER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - TRAFFIC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	1 200	-	-	-	-	-	-	-	-	-	1 200	-	-
Vote 3 - CORPORATE AND HUMAN RESOURCES		-	80	-	-	-	80	-	-	-	-	-	-	160	168	175
Vote 4 - FINANCE		-	80	-	-	-	80	-	-	-	-	-	-	160	168	175
Vote 5 - PROPERTIES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - LIBRARIES		-	-	300	310	-	-	-	-	-	-	-	-	610	-	-
Vote 7 - CEMETARY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PARKS AND RECREATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - PUBLIC WORKS		200	400	300	1 300	1 200	1 000	900	700	700	500	600	1 887	9 687	9 970	10 693
Vote 12 - ELECTRICITY		315	448	900	850	1 000	-	-	-	-	-	-	261	3 774	2 393	1 420
Vote 13 - WATER		600	600	600	600	600	600	600	600	600	600	600	600	7 200	7 225	7 262
Vote 14 - WASTE WATER MANAGEMENT		378	378	378	378	378	378	378	378	378	378	378	378	4 530	5 313	6 280
Vote 15 - TRAFFIC		-	300	300	-	-	-	-	-	-	-	-	(300)	300	-	-
Capital single-year expenditure sub-total	2	1 492	2 286	3 978	3 438	3 178	2 138	1 878	1 678	1 678	1 478	1 578	2 826	27 621	25 237	26 005
Total Capital Expenditure	2	1 492	2 286	3 978	3 438	3 178	2 138	1 878	1 678	1 678	1 478	1 578	2 826	27 621	25 237	26 005

Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

NC078 Siyancuma - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		-	160	1 200	-	-	160	-	-	-	-	-	-	1 520	336	350
Executive and council		-	-	1 200	-	-	-	-	-	-	-	-	-	1 200	-	-
Budget and treasury office		-	80	-	-	-	80	-	-	-	-	-	-	160	168	175
Corporate services		-	80	-	-	-	80	-	-	-	-	-	-	160	168	175
<i>Community and public safety</i>		-	-	600	310	-	-	-	-	-	-	-	-	910	-	-
Community and social services		-	-	300	310	-	-	-	-	-	-	-	(610)	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	610	610	-	-
Public safety		-	-	300	-	-	-	-	-	-	-	-	-	300	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		200	400	300	1 300	1 200	1 000	900	700	700	500	600	1 887	9 687	9 970	10 693
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		200	400	300	1 300	1 200	1 000	900	700	700	500	600	1 887	9 687	9 970	10 693
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 292	1 426	1 878	1 828	1 978	978	978	978	978	978	978	1 239	15 504	14 931	14 962
Electricity		315	448	900	850	1 000	-	-	-	-	-	-	261	3 774	2 393	1 420
Water		600	600	600	600	600	600	600	600	600	600	600	600	7 200	7 225	7 262
Waste water management		378	378	378	378	378	378	378	378	378	378	378	378	4 530	5 313	6 280
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	1 492	1 986	3 978	3 438	3 178	2 138	1 878	1 678	1 678	1 478	1 578	3 126	27 621	25 237	26 005
Funded by:																
National Government		3 500	1 700	2 100	2 400	3 900	1 800	1 500	1 000	3 900	800	400	587	23 587	18 670	18 393
Provincial Government		-	-	-	610	-	-	-	-	-	-	-	-	610	4 280	4 580
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		3 500	1 700	2 100	3 010	3 900	1 800	1 500	1 000	3 900	800	400	587	24 197	22 950	22 973
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	1 800	-	-	-	-	-	-	-	-	-	-	1 800	-	-
Internally generated funds		135	135	135	135	135	135	135	135	135	135	135	135	1 624	2 287	3 033
Total Capital Funding		3 635	3 635	2 235	3 145	4 035	1 935	1 635	1 135	4 035	935	535	722	27 621	25 237	26 005

NC078 Siyancuma - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand															
Cash Receipts By Source													1		
Property rates	600	2 400	670	670	670	670	670	670	670	670	670	751	9 781	10 639	11 384
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	3 800	3 800	3 400	3 200	3 100	2 900	2 900	2 900	2 900	2 900	3 100	2 981	37 881	40 533	43 370
Service charges - water revenue	900	900	700	1 400	1 100	1 100	1 100	1 100	1 100	1 200	1 100	1 186	12 886	13 788	14 754
Service charges - sanitation revenue	380	380	380	380	380	380	380	380	380	380	380	219	4 399	4 707	5 036
Service charges - refuse revenue	350	350	350	350	350	350	350	350	350	350	350	471	4 321	4 623	4 947
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	38	38	38	38	38	38	38	38	38	38	38	38	461	492	526
Interest earned - external investments	38	38	38	38	38	38	38	38	38	38	38	197	620	260	260
Interest earned - outstanding debtors	52	52	52	52	52	52	52	52	52	52	52	61	629	400	430
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	567	567	567	567	567	567	567	567	567	567	567	567	6 800	7 276	7 785
Licences and permits	38	38	38	38	38	38	38	38	38	38	38	38	450	482	515
Agency services	63	63	63	63	63	63	63	63	63	63	63	63	756	811	868
Transfer receipts - operational	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	3 607	43 280	41 600	41 082
Other revenue	36	36	36	36	36	36	36	36	36	36	36	36	438	460	493
Cash Receipts by Source	10 469	12 269	9 939	10 439	10 039	9 839	9 839	9 839	9 839	9 939	10 039	10 215	122 705	126 071	131 450
Other Cash Flows by Source															
Transfer receipts - capital	3 635	3 635	2 235	3 145	4 035	1 935	1 635	1 135	4 035	935	535	5 396	32 295	22 950	22 973
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	4 500	-	-	-	-	-	-	-	-	-	-	4 500	-	-
Increase (decrease) in consumer deposits	2	2	2	2	2	2	2	2	2	2	2	1	19	22	25
Decrease (Increase) in non-current debtors	4 000	2 000	1 300	2 100	1 300	1 300	2 100	2 100	1 300	1 300	1 300	1 900	22 000	11 000	7 000
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	18 106	22 406	13 476	15 686	15 376	13 076	13 576	13 076	15 176	12 176	11 876	17 512	181 519	160 043	161 447
Cash Payments by Type															
Employee related costs	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	4 545	54 543	57 081	61 078
Remuneration of councillors	263	263	263	263	263	263	263	263	263	263	263	263	3 161	3 319	3 552
Finance charges	930	930	930	930	930	930	930	930	930	930	930	930	11 159	11 716	12 302
Bulk purchases - Electricity	2 192	1 192	892	892	892	792	892	892	892	892	2 192	1 692	14 307	15 022	16 074
Bulk purchases - Water & Sewer	39	39	39	42	42	42	42	42	42	39	30	30	467	520	538
Other materials	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	2 833	33 995	35 695	42 766
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other municipalities	150	150	150	150	150	150	150	150	150	150	150	150	1 800	1 890	2 022
Transfers and grants - other	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	1 079	12 942	12 377	13 456
Other expenditure	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	2 807	33 680	35 360	37 813
Cash Payments by Type	14 838	13 838	13 538	13 541	13 541	13 441	13 541	13 541	13 541	13 538	14 829	14 329	166 055	172 980	189 601
Other Cash Flows/Payments by Type															
Capital assets	1 492	1 986	3 378	3 128	3 178	2 138	1 878	1 678	1 678	1 478	1 578	12 133	35 719	25 237	26 005
Repayment of borrowing	75	75	75	75	75	75	75	75	75	75	75	75	900	(1 050)	(205)
Other Cash Flows/Payments	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	1 200	800	14 000	14 000	1 000
Total Cash Payments by Type	17 605	17 099	18 190	17 943	17 993	16 853	16 693	16 493	16 493	16 290	17 681	27 337	216 674	211 167	216 401
NET INCREASE/(DECREASE) IN CASH HELD	501	5 307	(4 714)	(2 257)	(2 617)	(3 777)	(3 117)	(3 417)	(1 317)	(4 114)	(5 805)	(9 825)	(35 155)	(51 124)	(54 954)
Cash/cash equivalents at the month/year begin:	9 866	10 368	15 675	10 961	8 703	6 086	2 308	(809)	(4 227)	(5 544)	(9 659)	(15 464)	9 866	(25 289)	(76 412)
Cash/cash equivalents at the month/year end:	10 368	15 675	10 961	8 703	6 086	2 308	(809)	(4 227)	(5 544)	(9 659)	(15 464)	(25 289)	(25 289)	(76 412)	(131 366)

1.14 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

1.15 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, repair and maintenance of assets, and finally on depreciation.

Table 45 MBRR SA 34a - Capital expenditure on new assets by asset class

NC078 Siyancuma - Supporting Table SA34a Capital expenditure on new assets by asset class											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure		-	-	-	-	-	-	-	-	-	
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	
Roads, Pavements & Bridges		-	-	-	-	-	-	-	-	-	
Storm water		-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	
Generation		-	-	-	-	-	-	-	-	-	
Transmission & Reticulation		-	-	-	-	-	-	-	-	-	
Street Lighting		-	-	-	-	-	-	-	-	-	
Infrastructure - Water		-	-	-	-	-	-	-	-	-	
Dams & Reservoirs		-	-	-	-	-	-	-	-	-	
Water purification		-	-	-	-	-	-	-	-	-	
Reticulation		-	-	-	-	-	-	-	-	-	
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	
Reticulation		-	-	-	-	-	-	-	-	-	
Sewerage purification		-	-	-	-	-	-	-	-	-	
Infrastructure - Other		-	-	-	-	-	-	-	-	-	
Waste Management		-	-	-	-	-	-	-	-	-	
Transportation	2	-	-	-	-	-	-	-	-	-	
Gas		-	-	-	-	-	-	-	-	-	
Other	3	-	-	-	-	-	-	-	-	-	
Community		-	-	-	-	-	-	-	-	-	
Parks & gardens		-	-	-	-	-	-	-	-	-	
Sportsfields & stadia		-	-	-	-	-	-	-	-	-	
Swimming pools		-	-	-	-	-	-	-	-	-	
Community halls		-	-	-	-	-	-	-	-	-	
Libraries		-	-	-	-	-	-	-	-	-	
Recreational facilities		-	-	-	-	-	-	-	-	-	
Fire, safety & emergency		-	-	-	-	-	-	-	-	-	
Security and policing		-	-	-	-	-	-	-	-	-	
Buses	7	-	-	-	-	-	-	-	-	-	
Clinics		-	-	-	-	-	-	-	-	-	
Museums & Art Galleries		-	-	-	-	-	-	-	-	-	
Cemeteries		-	-	-	-	-	-	-	-	-	
Social rental housing	8	-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Heritage assets		-	-	-	-	-	-	-	-	-	
Buildings		-	-	-	-	-	-	-	-	-	
Other	9	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	
Housing development		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	
Other assets		-	-	-	-	-	-	2 730	2 287	3 033	
General vehicles		-	-	-	-	-	-	1 800	-	-	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Plant & equipment		-	-	-	-	-	-	-	-	-	
Computers - hardware/equipment		-	-	-	-	-	-	160	168	175	
Furniture and other office equipment		-	-	-	-	-	-	160	168	175	
Abattoirs		-	-	-	-	-	-	-	-	-	
Markets		-	-	-	-	-	-	-	-	-	
Civic Land and Buildings		-	-	-	-	-	-	-	-	-	
Other Buildings		-	-	-	-	-	-	-	-	-	
Other Land		-	-	-	-	-	-	-	-	-	
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	610	1 951	2 683	
Agricultural assets		-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
Biological assets		-	-	-	-	-	-	-	-	-	
List sub-class		-	-	-	-	-	-	-	-	-	
Intangibles		-	-	-	-	-	-	-	-	-	
Computers - software & programming		-	-	-	-	-	-	-	-	-	
Other (list sub-class)		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on new assets	1	-	-	-	-	-	-	2 730	2 287	3 033	
Specialised vehicles		-	-	-	-	-	-	-	-	-	
Refuse		-	-	-	-	-	-	-	-	-	
Fire		-	-	-	-	-	-	-	-	-	
Conservancy		-	-	-	-	-	-	-	-	-	
Ambulances		-	-	-	-	-	-	-	-	-	

Table 46 MBRR SA 34b - Capital expenditure on renewal assets by asset class

NC078 Siyancuma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		11 040	24 466	20 930	30 823	30 823	30 823	24 891	22 950	22 973
Infrastructure - Road transport		4 410	8 485	10 287	8 023	8 023	8 023	9 687	9 970	10 693
Roads, Pavements & Bridges		4 410	8 485	10 287	8 023	8 023	8 023	9 687	9 970	10 693
Storm water		—	—	—	—	—	—	—	—	—
Infrastructure - Electricity		2 658	1 146	1 409	1 500	1 500	1 500	3 774	2 000	1 000
Generation		—	—	—	—	—	—	—	—	—
Transmission & Reticulation		2 658	1 146	1 409	1 500	1 500	1 500	3 774	2 000	1 000
Street Lighting		—	—	—	—	—	—	—	—	—
Infrastructure - Water		1 909	14 458	1 261	15 000	15 000	15 000	7 200	6 700	6 700
Dams & Reservoirs		—	—	—	—	—	—	—	—	—
Water purification		1 909	14 458	1 261	15 000	15 000	15 000	7 200	6 700	6 700
Reticulation		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		2 063	377	7 972	6 300	6 300	6 300	4 230	4 280	4 580
Reticulation		—	—	—	—	—	—	—	—	—
Sewerage purification		2 063	377	7 972	6 300	6 300	6 300	4 230	4 280	4 580
Infrastructure - Other		—	—	—	—	—	—	—	—	—
Waste Management		—	—	—	—	—	—	—	—	—
Transportation	2	—	—	—	—	—	—	—	—	—
Gas		—	—	—	—	—	—	—	—	—
Other	3	—	—	—	—	—	—	—	—	—
Community		—	81	81	400	—	—	—	—	—
Parks & gardens		—	—	—	—	—	—	—	—	—
Sportsfields & stadia		—	—	—	—	—	—	—	—	—
Swimming pools		—	—	—	—	—	—	—	—	—
Community halls		—	25	—	—	—	—	—	—	—
Libraries		—	56	81	—	—	—	—	—	—
Recreational facilities		—	—	—	—	—	—	—	—	—
Fire, safety & emergency		—	—	—	—	—	—	—	—	—
Security and policing		—	—	—	—	—	—	—	—	—
Buses	7	—	—	—	—	—	—	—	—	—
Clinics		—	—	—	—	—	—	—	—	—
Museums & Art Galleries		—	—	—	—	—	—	—	—	—
Cemeteries		—	—	—	—	—	—	—	—	—
Social rental housing	8	—	—	—	—	—	—	—	—	—
Other		—	—	—	400	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Buildings	9	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Housing development		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Other assets		424	8 012	1 585	310	960	960	—	—	—
General vehicles		—	1 595	—	—	—	—	—	—	—
Specialised vehicles	10	—	523	—	—	—	—	—	—	—
Plant & equipment		—	—	—	—	—	—	—	—	—
Computers - hardware/equipment		—	111	—	—	—	—	—	—	—
Furniture and other office equipment		424	5 124	1 007	—	560	560	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Civic Land and Buildings		—	78	—	—	—	—	—	—	—
Other Buildings		—	—	—	—	—	—	—	—	—
Other Land		—	—	—	—	—	—	—	—	—
Surplus Assets - (Investment or Inventory)		—	—	—	—	—	—	—	—	—
Other		—	58	579	310	400	400	—	—	—
Agricultural assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Computers - software & programming		—	—	—	—	—	—	—	—	—
Other (list sub-class)		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on renewal of existing assets		11 464	32 559	22 895	31 533	31 783	31 783	24 891	22 950	22 973
Specialised vehicles		—	523	—	—	—	—	—	—	—
Refuse		—	330	—	—	—	—	—	—	—
Fire		—	193	—	—	—	—	—	—	—
Conservancy		—	—	—	—	—	—	—	—	—
Ambulances		—	—	—	—	—	—	—	—	—
Renewal of Existing Assets as % of total capex		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.1%	90.9%	88.3%
Renewal of Existing Assets as % of deprecn"		103.9%	288.5%	250.6%	227.0%	222.2%	222.2%	174.0%	152.8%	142.9%

NC078 Siyancuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		3 070	3 543	—	5 702	4 891	—	5 136	5 397	5 775
Infrastructure - Road transport		3 070	1 296	—	2 101	1 495	—	1 560	1 638	1 753
Roads, Pavements & Bridges		3 070	1 296	—	2 101	1 495	—	1 560	1 638	1 753
Storm water		—	—	—	—	—	—	—	—	—
Infrastructure - Electricity		—	840	—	800	670	—	720	756	809
Generation		—	—	—	—	—	—	—	—	—
Transmission & Reticulation		—	840	—	800	670	—	720	756	809
Street Lighting		—	—	—	—	—	—	—	—	—
Infrastructure - Water		—	628	—	1 426	1 426	—	1 426	1 497	1 602
Dams & Reservoirs		—	—	—	—	—	—	—	—	—
Water purification		—	628	—	1 426	1 426	—	1 426	1 497	1 602
Reticulation		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	560	—	837	737	—	837	884	946
Reticulation		—	—	—	—	—	—	—	—	—
Sewerage purification		—	560	—	837	737	—	837	884	946
Infrastructure - Other		—	219	—	538	563	—	593	623	666
Waste Management		—	—	—	—	—	—	593	623	666
Transportation	2	—	—	—	—	—	—	—	—	—
Gas		—	—	—	—	—	—	—	—	—
Other	3	—	219	—	538	563	—	—	—	—
Community		—	393	—	1 511	—	—	1 133	1 184	1 273
Parks & gardens		—	—	—	—	—	—	—	—	—
Sportsfields & stadia		—	—	—	—	—	—	—	—	—
Swimming pools		—	—	—	—	—	—	—	—	—
Community halls		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	88	87	99
Recreational facilities		—	—	—	—	—	—	131	138	147
Fire, safety & emergency		—	—	—	—	—	—	590	620	663
Security and policing		—	—	—	—	—	—	—	—	—
Buses	7	—	—	—	—	—	—	—	—	—
Clinics		—	—	—	—	—	—	—	—	—
Museums & Art Galleries		—	—	—	—	—	—	—	—	—
Cemeteries		—	—	—	—	—	—	110	116	124
Social rental housing	8	—	—	—	—	—	—	—	—	—
Other		—	393	—	1 511	—	—	214	225	241
Heritage assets		—	—	—	—	—	—	—	—	—
Buildings		—	—	—	—	—	—	—	—	—
Other	9	—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Housing development		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Other assets		—	554	—	597	—	—	343	350	374
General vehicles		—	—	—	—	—	—	—	—	—
Specialised vehicles		—	—	—	—	—	—	—	—	—
Plant & equipment	10	—	—	—	—	—	—	—	—	—
Computers - hardware/equipment		—	—	—	—	—	—	171	175	187
Furniture and other office equipment		—	—	—	—	—	—	171	175	187
Abattoirs		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Civic Land and Buildings		—	—	—	—	—	—	—	—	—
Other Buildings		—	—	—	—	—	—	—	—	—
Other Land		—	—	—	—	—	—	—	—	—
Surplus Assets - (Investment or Inventory)		—	—	—	—	—	—	—	—	—
Other		—	554	—	597	—	—	—	—	—
Agricultural assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Computers - software & programming		—	—	—	—	—	—	—	—	—
Other (list sub-class)		—	—	—	—	—	—	—	—	—
Total Repairs and Maintenance Expenditure	1	3 070	4 490	—	7 810	4 891	—	6 611	6 931	7 422
Specialised vehicles		—	—	—	—	—	—	—	—	—
Refuse		—	—	—	—	—	—	—	—	—
Fire		—	—	—	—	—	—	—	—	—
Conservancy		—	—	—	—	—	—	—	—	—
Ambulances		—	—	—	—	—	—	—	—	—
R&M as a % of PPE		1,1%	1,8%	0,0%	2,3%	1,5%	0,0%	1,9%	1,9%	2,0%
R&M as % Operating Expenditure		3,5%	4,2%	0,0%	5,2%	3,3%	0,0%	4,0%	4,0%	3,9%

MBBR SA 34d-Depreciation by asset class

NC078 Siyancuma - Supporting Table SA34d Depreciation by asset class										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		11 034	9 339	6 945	11 149	11 149	11 149	11 562	12 140	12 990
Infrastructure - Road transport		11 034	2 330	3 410	4 126	4 126	4 126	4 539	4 766	5 099
Roads, Pavements & Bridges		11 034	2 330	3 410	4 126	4 126	4 126	4 539	4 766	5 099
Storm water		—	—	—	—	—	—	—	—	—
Infrastructure - Electricity		—	1 862	847	1 862	1 862	1 862	1 862	1 955	2 092
Generation		—	—	—	—	—	—	—	—	—
Transmission & Reticulation		—	1 862	847	1 862	1 862	1 862	1 862	1 955	2 092
Street Lighting		—	—	—	—	—	—	—	—	—
Infrastructure - Water		—	2 680	448	2 680	2 680	2 680	2 680	2 814	3 011
Dams & Reservoirs		—	—	—	—	—	—	—	—	—
Water purification		—	2 680	448	2 680	2 680	2 680	2 680	2 814	3 011
Reticulation		—	—	—	—	—	—	—	—	—
Infrastructure - Sanitation		—	2 401	2 204	2 401	2 401	2 401	2 401	2 521	2 698
Reticulation		—	2 401	2 204	2 401	2 401	2 401	2 401	2 521	2 698
Sewerage purification		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	65	36	79	79	79	79	83	89
Waste Management		—	65	36	79	79	79	79	83	89
Transportation	2	—	—	—	—	—	—	—	—	—
Gas	3	—	—	—	—	—	—	—	—	—
Other	3	—	—	—	—	—	—	—	—	—
Community		—	214	1 467	708	708	708	2 745	2 882	3 084
Parks & gardens		—	—	198	—	—	—	—	—	—
Sportsfields & stadia		—	—	—	—	—	—	—	—	—
Swimming pools		—	—	—	—	—	—	—	—	—
Community halls		—	—	—	—	—	—	—	—	—
Libraries		—	46	145	46	46	46	46	48	52
Recreational facilities		—	92	605	101	101	101	198	314	336
Fire, safety & emergency		—	30	250	250	250	250	299	263	281
Security and policing		—	—	—	—	—	—	—	—	—
Buses	7	—	—	—	—	—	—	—	—	—
Clinics		—	—	8	10	10	10	—	—	—
Museums & Art Galleries		—	—	—	—	—	—	—	—	—
Cemeteries		—	46	10	51	51	51	51	53	57
Social rental housing	8	—	—	—	—	—	—	—	—	—
Other	8	—	—	250	250	250	250	2 151	2 204	2 358
Heritage assets		—	—	—	—	—	—	—	—	—
Buildings	9	—	—	—	—	—	—	—	—	—
Other	9	—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Housing development		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Other assets		—	1 733	961	1 839	1 839	1 839	—	—	—
General vehicles	10	—	—	—	—	—	—	—	—	—
Specialised vehicles		—	—	—	—	—	—	—	—	—
Plant & equipment		—	—	—	—	—	—	—	—	—
Computers - hardware/equipment		—	—	—	—	—	—	—	—	—
Furniture and other office equipment		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Civic Land and Buildings		—	446	625	568	568	568	—	—	—
Other Buildings		—	1 287	336	1 271	1 271	1 271	—	—	—
Other Land		—	—	—	—	—	—	—	—	—
Surplus Assets - (Investment or inventory)		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Agricultural assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
List sub-class		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Computers - software & programming		—	—	—	—	—	—	—	—	—
Other (list sub-class)		—	—	—	—	—	—	—	—	—
Total Depreciation	1	11 034	11 287	9 373	13 696	13 696	13 696	14 307	15 022	16 074
Specialised vehicles		—	—	—	—	—	—	—	—	—
Refuse		—	—	—	—	—	—	—	—	—
Fire		—	—	—	—	—	—	—	—	—
Conservancy		—	—	—	—	—	—	—	—	—
Ambulances		—	—	—	—	—	—	—	—	—

Table 47 MBRR SA36 - Detailed capital budget per municipal vote

NC078 Siyancuma - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework		
										Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	4			2	6	3	3	5						
Parent municipality: List all capital projects grouped by Municipal Vote														
Public Works														
Roads Project		Upgrading gravel roads- Bongani & Braypaal			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	29° 04' 01.052" S 23° 46' 29.24" E		19 475		9 487	9 970	10 693
Building Infrastructure		Security Gate & Room				Infrastructure - Other	Civic Land and Buildings					200		
Water														
Water reticulation		Schmidtsdrift Bulk Water Supply			Yes	Infrastructure - Water	Transmission & Reticulation	28° 41' 32.42" S 24° 04' 01.00" E				6 700	7 225	7 262
Water reticulation		Bulk Water Pumps				Infrastructure - Water	Water purification					500		
Electricity														
Electrification		Electrification of 180 houses			Yes	Infrastructure - Electricity	Transmission & Reticulation	28° 51' 19.03" S 23° 15' 16.98" E		2 600		3 774	2 393	1 420
Waste Water Management														
Sewerage Works		Rehabilitation of Douglas Oxidation Ponds			Yes	Infrastructure - Sanitation	Sewerage purification			3 200		4 000	5 313	6 280
Sewerage reticulation		Standby Sewer Pumps				Infrastructure - Sanitation	Sewerage purification					150		
Sewerage reticulation		Submersible Pumps				Infrastructure - Sanitation	Sewerage purification					80		
Vehicle		LDV Vehicle			Yes	Other Assets	General vehicles					300		
Administration														
Corporate & Executive		Furniture and equipment				Other Assets	Furniture and other office equipment					2 270	168	175
Finance		Furniture and equipment				Other Assets	Furniture and other office equipment					160	168	175
Parent Capital expenditure	1											27 621	25 237	26 005
Entities: List all capital projects grouped by Entity														
Entity A														
Water project A														
Entity B														
Electricity project B														
Entity Capital expenditure										-	-	-	-	-
Total Capital expenditure										-	25 275	27 621	25 237	26 005

1.16 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. They have enrolled on a course to comply with the minimum standards.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detailed SDBIP document, directly aligned and informed by the 2015/16 MTREF, has been tabled and is ready for approval by the Mayor.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

MFMA training has commenced.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

1.17 Other supporting documents

Table 48 MBRR Table SA1 - Supporting detail to budgeted financial performance

NC078 Siyancuma - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year '17 2016/17	Budget Year '18 2017/18
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		5 768	6 938	7 621	18 591	18 591	18 591		11 593	12 404	13 272
less Revenue Foregone		7 893	7 893	7 893	9 617	9 617	9 617		1 258	1 258	1 258
Net Property Rates		5 768	6 938	7 621	10 659	8 974	8 974		10 404	11 251	12 038
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		14 572	20 576	24 518	34 050	34 801	34 801		42 090	45 037	48 189
less Revenue Foregone		—	—	—	—	—	—		—	—	—
Net Service charges - electricity revenue		14 572	20 576	24 518	34 050	34 801	34 801		42 090	45 037	48 189
Service charges - water revenue	6										
Total Service charges - water revenue		8 281	9 426	9 856	16 331	15 479	15 479		16 108	17 236	18 442
less Revenue Foregone		8 281	9 426	9 856	16 331	15 479	15 479		16 108	17 236	18 442
Net Service charges - water revenue		—	—	—	—	—	—		—	—	—
Service charges - sanitation revenue	6										
Total Service charges - sanitation revenue		4 483	5 096	4 139	6 545	6 592	6 592		6 284	6 724	7 184
less Revenue Foregone		4 483	5 096	4 139	6 545	6 592	6 592		6 284	6 724	7 184
Net Service charges - sanitation revenue		—	—	—	—	—	—		—	—	—
Service charges - refuse revenue	6										
Total refuse/removal revenue		3 718	4 302	3 475	6 224	5 683	5 683		6 172	6 604	7 067
Total landfill revenue		—	—	—	—	—	—		—	—	—
less Revenue Foregone		—	—	—	—	—	—		—	—	—
Net Service charges - refuse revenue		3 718	4 302	3 475	6 224	5 683	5 683		6 172	6 604	7 067
Other Revenue by source	3										
Building plans		1 339	873	11 920	509	724	724		33	36	37
Connection Fees		—	—	—	—	—	—		82	87	94
Haawker's license		—	—	—	—	—	—		9	9	10
Sundry income		—	—	—	—	—	—		12	13	14
Tender Fees		—	—	—	—	—	—		100	107	114
Cemetery Fees		—	—	—	—	—	—		41	35	38
Clearance Certificates		—	—	—	—	—	—		11	12	13
Insurance claims		—	—	—	—	—	—		30	32	34
Meter Installation		—	—	—	—	—	—		65	70	75
Legal costs received: Debtors		—	—	—	—	—	—		56	60	64
Total 'Other' Revenue	3	1 339	873	11 920	509	724	724		438	460	493
EXPENDITURE ITEMS:											
Employee related costs	2										
Basic Salaries and Wages		28 293	35 907	38 717	34 504	27 404	27 404		33 152	34 809	37 247
Pension and UIF Contributions		—	—	—	6 359	5 323	5 323		7 265	7 612	8 145
Medical Aid Contributions		—	—	—	2 188	1 862	1 862		2 411	2 532	2 709
Overtime		—	—	—	1 605	2 668	2 668		2 703	2 838	3 037
Performance Bonus		—	—	—	—	—	—		—	—	—
Motor Vehicle Allowance		—	—	—	2 738	2 186	2 186		2 679	2 813	3 010
Cellphone Allowance		—	—	—	122	104	104		167	165	177
Housing Allowances		—	—	—	400	303	303		404	424	454
Other benefits and allowances		—	—	—	709	3 544	3 544		4 840	5 082	5 436
Payments in lieu of leave		—	—	—	405	481	481		481	505	540
Long service awards		—	—	—	114	451	451		301	323	353
Post-retirement benefit obligations	4										
Less: Employees costs capitalised to PPE	5	28 293	35 907	38 717	49 141	44 127	44 127		54 543	57 081	61 078
Total Employee related costs	1	28 293	35 907	38 717	49 141	44 127	44 127		54 543	57 081	61 078
Contributions recognised - capital											
List contributions by contract											
						</					

Table 49 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

NC078 Siyancuma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - MUNICIPAL MANAGER	Vote 2 - COUNCIL	Vote 3 - CORPORATE AND HUMAN RESOURCES	Vote 4 - FINANCE	Vote 5 - PROPERTIES	Vote 6 - LIBRARIES	Vote 7 - CEMETARY	Vote 8 - PARKS AND RECREATION	Vote 9 - DISASTER MANAGEMENT	Vote 10 - WASTE MANAGEMENT	Vote 11 - PUBLIC WORKS	Vote 12 - ELECTRICITY	Vote 13 - WATER	Vote 14 - WASTE WATER MANAGEMENT	Vote 15 - TRAFFIC	Total
R thousand	1																
Revenue By Source																	
Property rates			-	-	10 494	-	-	-	-	-	-	-	-	-	-	-	10 494
Property rates - penalties & collection charges			-	-	-	-	-	-	-	-	-	-	42 090	-	-	-	42 090
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-	-	16 108	-	-	16 108
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-	-	-	6 284	-	6 284
Service charges - refuse revenue			-	-	-	-	-	-	-	-	6 172	-	-	-	-	-	6 172
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			-	128	-	102	-	-	-	-	-	-	-	-	-	-	229
Interest earned - external investments			-	-	620	-	-	-	-	-	-	-	-	-	-	-	620
Interest earned - outstanding debtors			-	-	629	-	-	-	-	-	-	-	-	-	-	-	629
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			-	-	-	-	-	-	-	-	-	-	-	-	-	6 800	6 800
Licences and permits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	450
Agency services			-	-	47	-	-	-	-	-	-	-	-	-	-	711	758
Other revenue			-	89	155	2	-	41	232	-	-	-	104	42	6	-	670
Transfers recognised - operational			2 133	-	31 010	-	648	-	-	-	2 859	1 000	1 539	1 148	3 591	-	43 928
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	2 133	217	42 955	103	648	41	232	-	9 031	1 000	43 734	17 298	9 881	7 961	135 233
Expenditure By Type																	
Employee related costs		1 514	997	8 539	15 290	-	349	2 311	1 451	1 179	3 764	6 296	3 916	3 079	3 519	2 339	54 543
Remuneration of councillors		-	3 161	-	-	-	-	-	-	-	-	-	-	-	-	-	3 161
Debt impairment		-	-	-	11 159	-	-	-	-	-	-	-	-	-	-	-	11 159
Depreciation & asset impairment		143	624	402	102	-	568	46	51	559	79	4 539	1 862	2 680	2 401	250	14 307
Finance charges		-	138	38	15	-	-	-	-	-	66	10	51	86	64	-	467
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	33 500	495	-	-	33 995
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	4 605	-	-	-	-	-	2 859	1 000	1 539	1 148	3 591	-	14 742
Other expenditure		425	1 483	5 555	6 665	-	3 376	139	115	1 141	7 327	1 862	1 390	2 400	1 097	705	33 680
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		2 082	6 404	14 534	37 836	-	4 293	2 496	1 617	2 879	14 095	13 707	42 258	9 888	10 672	3 294	166 055
Surplus/(Deficit)		(2 082)	(4 271)	(14 317)	5 118	103	(3 645)	(2 456)	(1 385)	(2 879)	(5 064)	(12 707)	1 476	7 410	(791)	4 667	(30 822)
Transfers recognised - capital		-	-	-	-	-	610	-	-	-	-	16 587	5 008	6 700	4 000	-	32 905
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(2 082)	(4 271)	(14 317)	5 118	103	(3 035)	(2 456)	(1 385)	(2 879)	(5 064)	3 880	6 483	14 110	3 209	4 667	2 083

Table 50 MBRR Table SA3 – Supporting detail to Statement of Financial Position

NC078 Siyancuma - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		–	5 500	–	–	25 000	25 000	–	61	66	70
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Total Call investment deposits	2	–	5 500	–	–	25 000	25 000	–	61	66	70
Consumer debtors											
Consumer debtors		11 249	9 508	26 479	3 301	3 301	3 301	–	53 913	64 522	99 490
Less: Provision for debt impairment		–	–	–	–	–	–	–	(11 159)	(11 716)	(12 302)
Total Consumer debtors	2	11 249	9 508	26 479	3 301	3 301	3 301	–	42 754	52 805	87 188
Debt impairment provision											
Balance at the beginning of the year		–	–	–	–	–	–	–	–	–	–
Contributions to the provision		–	–	–	–	–	–	–	–	–	–
Bad debts written off		–	–	–	–	–	–	–	–	–	–
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		326 179	368 065	390 207	334 214	334 214	334 214	–	351 087	359 015	365 914
Leases recognised as PPE	3	–	–	–	–	–	–	–	–	–	–
Less: Accumulated depreciation		47 198	121 595	130 137	–	–	–	–	–	–	–
Total Property, plant and equipment (PPE)	2	278 981	246 470	260 070	334 214	334 214	334 214	–	351 087	359 015	365 914
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		1 321	2 140	2 330	621	621	621	–	–	–	–
Current portion of long-term liabilities		–	–	–	–	–	–	–	710	500	459
Total Current liabilities - Borrowing		1 321	2 140	2 330	621	621	621	–	710	500	459
Trade and other payables											
Trade and other creditors		27 129	21 504	18 327	7 290	7 290	7 290	–	8 579	23 204	30 323
Unspent conditional transfers		–	–	17 106	22 541	22 541	22 541	–	–	–	–
VAT		–	–	–	–	–	–	–	–	–	–
Total Trade and other payables	2	27 129	21 504	35 433	29 831	29 831	29 831	–	8 579	23 204	30 323
Non current liabilities - Borrowing											
Borrowing	4	4 078	6 371	4 693	3 400	3 400	3 400	–	2 840	2 000	1 836
Finance leases (including PPP asset element)		–	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing		4 078	6 371	4 693	3 400	3 400	3 400	–	2 840	2 000	1 836
Provisions - non-current											
Retirement benefits		–	–	–	–	–	–	–	–	–	–
List other major provision items		–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation		–	–	–	–	–	–	–	–	–	–
Other		14 878	15 618	17 588	16 661	16 661	16 661	–	23 185	30 036	37 366
Total Provisions - non-current		14 878	15 618	17 588	16 661	16 661	16 661	–	23 185	30 036	37 366
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		–	–	–	257 259	330 764	330 764	–	330 764	371 281	364 415
GRAP adjustments		281 449	224 494	232 418	64 491	207	207	–	38 434	3 253	45 645
Restated balance		281 449	224 494	232 418	321 750	330 971	330 971	–	369 199	374 534	410 060
Surplus/(Deficit)		(3 425)	7 924	24 841	9 014	(207)	(207)	52 730	2 083	(10 118)	(20 372)
Appropriations to Reserves		–	–	–	–	–	–	–	–	–	–
Transfers from Reserves		–	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	1	278 024	232 418	257 259	330 764	330 764	330 764	52 730	371 281	364 415	389 688
Reserves											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	–	–	–	–	–	–	–	–	–
Self-insurance		–	–	–	–	–	–	–	–	–	–
Other reserves		–	–	–	–	–	–	–	–	–	–
Revaluation		–	–	–	–	–	–	–	–	–	–
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	278 024	232 418	257 259	330 764	330 764	330 764	52 730	371 281	364 415	389 688
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–

Table 51 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

NC078 Siyancuma - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population								37 076	37 447	38 198	38 768	39 544
Females aged 5 - 14								7 114	7 185	7 329	7 439	7 588
Males aged 5 - 14								6 214	6 276	6 402	6 498	6 628
Females aged 15 - 34								8 024	8 104	8 286	8 390	8 558
Males aged 15 - 34								7 200	7 272	7 417	7 520	7 679
Unemployment								16 684	16 851	17 188	17 446	17 795
Monthly household income (no. of households)	1, 12											
No income								1 191	1 203	1 227	1 245	1 270
R1 - R1 600								249	251	257	260	266
R1 601 - R3 200								420	424	433	439	448
R3 201 - R6 400								1 581	1 597	1 629	1 653	1 686
R6 401 - R12 800								1 069	1 076	1 097	1 114	1 136
R12 801 - R25 600								576	582	593	602	614
R25 601 - R51 200								389	394	402	408	416
R51 201 - R102 400								210	212	216	220	224
R102 401 - R204 800								60	61	62	63	64
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)	13											
< R2 060 per household per month												
Insert description	2											
Household demographics (000)												
Number of people in municipal area				37 076				37	38	38	39	40
Number of households in municipal area								17	17	17	18	18
Number of poor households in municipal area								6	6	6	6	6
Definition of poor household (R per month)								3	3	3	3	3
Housing statistics	3											
Formal								6 224	6 296	6 422	6 516	6 649
Informal								690	711	722	736	736
Total number of households			6 568	7 291	6 970			6 904	6 993	7 133	7 240	7 385
Dwellings provided by municipality	4		2 469	1 546	2 472							
Dwellings provided by province			9 057	8 837	9 442							
Dwellings provided by private sector	5											
Total new housing dwellings												
Economic	6											
Inflation/inflation outlook (CPI-X)								9.7%	10.0%	11.0%	10.0%	9.5%
Interest rate - borrowing								4.7%	5.0%	6.0%	5.0%	4.5%
Interest rate - investment								5.5%	6.0%	5.0%	6.0%	6.0%
Remuneration increases								2.0%	2.0%	2.0%	1.5%	2.0%
Consumption growth (electricity)								2.0%	2.0%	2.0%	1.5%	2.0%
Consumption growth (water)												
Collection rates	7											
Property & services charges								75.0%	80.0%	85.0%	86.0%	85.0%
Rental of facilities & equipment								85.0%	90.0%	90.0%	90.0%	90.0%
Interest - external investments								4.7%	5.0%	6.0%	5.0%	4.5%
Interest - debtors								6.0%	6.0%	7.0%	6.0%	5.0%
Revenue from agency services								12.0%	12.0%	12.0%	12.0%	12.0%

Detail on the provision of municipal services for A10

Detail on the provision of municipal services for A10			2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework			
Total municipal services			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Ref										
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	3 760	3 760	—	4 690	4 690	—	4 880	4 953	5 052
		Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
		Using public tap (at least min service level)	—	—	—	—	—	—	—	—	—
		Other water supply (at least min service level)	—	—	—	—	—	—	—	—	—
		Minimum Service Level and Above sub-total	3 760	3 760	—	4 690	4 690	—	4 880	4 953	5 052
		Using public tap (< min service level)	—	—	—	—	—	—	—	—	—
		Other water supply (< min service level)	—	—	—	—	—	—	—	—	—
		No water supply	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	3 760	3 760	—	4 690	4 690	—	4 880	4 953	5 052
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	3 147	3 147	—	3 147	3 147	—	3 194	3 242	3 307
		Flush toilet (with septic tank)	125	125	—	125	125	—	127	129	131
		Chemical toilet	—	—	—	—	—	—	—	—	—
		Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—
		Other toilet provisions (> min service level)	—	—	—	—	—	—	—	—	—
		Minimum Service Level and Above sub-total	3 272	3 272	—	3 272	3 272	—	3 321	3 371	3 436
		Bucket toilet	6 959	6 959	—	7 678	7 678	—	2 277	2 311	2 357
		Other toilet provisions (< min service level)	—	—	—	—	—	—	—	—	—
		No toilet provisions	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	6 959	6 959	—	7 678	7 678	—	2 277	2 311	2 357
		Total number of households	6 959	6 959	—	10 950	10 950	—	5 598	5 682	5 795
		Energy:									
		Electricity (at least min service level)	—	—	—	300	300	—	305	309	315
		Electricity - prepaid (min service level)	—	—	—	4 123	4 123	—	4 185	4 248	4 333
		Minimum Service Level and Above sub-total	—	—	—	4 423	4 423	—	4 489	4 557	4 648
		Electricity (< min service level)	—	—	—	—	—	—	—	—	—
		Electricity - prepaid (< min service level)	—	—	—	—	—	—	—	—	—
		Other energy sources	9 953	9 953	—	7 514	7 514	—	7 448	7 380	7 289
		Below Minimum Service Level sub-total	9 953	9 953	—	7 514	7 514	—	7 448	7 380	7 289
		Total number of households	9 953	9 953	—	11 937	11 937	—	11 937	11 937	11 937
		Refuse:									
		Removed at least once a week	—	—	—	5 960	5 960	—	6 049	6 140	6 263
		Minimum Service Level and Above sub-total	—	—	—	5 960	5 960	—	6 049	6 140	6 263
		Removed less frequently than once a week	3 583	3 583	—	902	902	—	813	722	599
		Using communal refuse dump	—	—	—	—	—	—	—	—	—
		Using own refuse dump	—	—	—	—	—	—	—	—	—
		Other rubbish disposal	—	—	—	—	—	—	—	—	—
		No rubbish disposal	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	3 583	3 583	—	902	902	—	813	722	599
		Total number of households	3 583	3 583	—	6 862	6 862	—	6 862	6 862	6 862
Municipal in-house services			2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Ref										
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	—	—	—	4 808	4 808	—	4 880	4 953	5 052
		Piped water inside yard (but not in dwelling)	—	—	—	—	—	—	—	—	—
		Using public tap (at least min service level)	—	—	—	—	—	—	—	—	—
		Other water supply (at least min service level)	—	—	—	—	—	—	—	—	—
		Minimum Service Level and Above sub-total	—	—	—	4 808	4 808	—	4 880	4 953	5 052
		Using public tap (< min service level)	—	—	—	—	—	—	—	—	—
		Other water supply (< min service level)	—	—	—	—	—	—	—	—	—
		No water supply	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	—	—	—	4 808	4 808	—	4 880	4 953	5 052
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	—	—	—	3 147	3 147	—	3 194	3 242	3 307
		Flush toilet (with septic tank)	—	—	—	125	125	—	127	129	131
		Chemical toilet	—	—	—	—	—	—	—	—	—
		Pit toilet (ventilated)	—	—	—	—	—	—	—	—	—
		Other toilet provisions (> min service level)	—	—	—	—	—	—	—	—	—
		Minimum Service Level and Above sub-total	—	—	—	3 272	3 272	—	3 321	3 371	3 436
		Bucket toilet	—	—	—	2 243	2 243	—	2 277	2 311	2 357
		Other toilet provisions (< min service level)	—	—	—	—	—	—	—	—	—
		No toilet provisions	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	2 243	2 243	—	2 277	2 311	2 357
		Total number of households	—	—	—	5 515	5 515	—	5 598	5 682	5 795
		Energy:									
		Electricity (at least min service level)	—	—	—	300	300	—	305	309	315
		Electricity - prepaid (min service level)	—	—	—	4 123	4 123	—	4 185	4 248	4 333
		Minimum Service Level and Above sub-total	—	—	—	4 423	4 423	—	4 489	4 557	4 648
		Electricity (< min service level)	—	—	—	—	—	—	—	—	—
		Electricity - prepaid (< min service level)	—	—	—	—	—	—	—	—	—
		Other energy sources	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	—	—	—	4 423	4 423	—	4 489	4 557	4 648
		Refuse:									
		Removed at least once a week	—	—	—	5 960	5 960	—	6 049	6 140	6 263
		Minimum Service Level and Above sub-total	—	—	—	5 960	5 960	—	6 049	6 140	6 263
		Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
		Using communal refuse dump	—	—	—	—	—	—	—	—	—
		Using own refuse dump	—	—	—	—	—	—	—	—	—
		Other rubbish disposal	—	—	—	—	—	—	—	—	—
		No rubbish disposal	—	—	—	—	—	—	—	—	—
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—
		Total number of households	—	—	—	5 960	5 960	—	6 049	6 140	6 263

Table 52 MBRR SA32 – List of external mechanisms

NC078 Siyancuma - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
AEON	Yrs	3	Insurance	30 June 2017	2 293
Sebata EMS	Yrs	Indefinite	Financial Management System	Indefinite	709
Fidelity Security	Mths	1	Cash in transit	Monthly	727
Nashua	Yrs	5	Copiers and Telephone System	28 February 2020	
Oilfile	Mths	1	Security Services	Monthly	1 775
Amaruri Security	Mths	1	Security Services	Monthly	38
Dip Security	Yrs	1	Security Services	Monthly	1 220
Mubesco Africa	Yrs	3	Financial Management Services	30 December 2015	1 300
Abuti Consulting	Yrs	3	Municipal Management Services	30 December 2015	1 800

Municipal manager's quality certificate

I, **H F NEL**, municipal manager of Siyancuma Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: H F NEL

Municipal manager of Siyancuma Municipality (NC078)

Signature: _____

Date: _____